

Tech Mahindra Limited

Registered Office : Gateway Building, Apollo Bunder, Mumbai 400 001.
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Standalone Audited Financial Results for the quarter ended June 30, 2016

| Particulars | Rs. in Lakhs | | | |
|--|---------------|-----------------------------|---------------|----------------|
| | Quarter ended | | | Year Ended |
| | June 30, 2016 | March 31, 2016 | June 30, 2015 | March 31, 2016 |
| | | Unaudited (refer Note 9) | | |
| 1 Income from Operations | 564,676 | 546,685 | 501,631 | 2,096,981 |
| 2 Expenses | | | | |
| a) Employee benefits expense | 185,038 | 189,498 | 184,938 | 742,901 |
| b) Travelling Expenses | 11,749 | 10,349 | 11,407 | 40,824 |
| c) Services rendered by Business Associates and Others | 216,611 | 200,715 | 187,404 | 780,285 |
| d) Depreciation and amortisation expense | 14,210 | 15,784 | 12,328 | 54,174 |
| e) Other expenses | 58,105 | 54,114 | 47,171 | 194,176 |
| Total Expenses | 485,713 | 470,460 | 443,248 | 1,812,360 |
| 3 Profit from operations before other income and finance costs (1-2) | 78,963 | 76,225 | 58,383 | 284,621 |
| 4 Other Income | | | | |
| Exchange gain / (loss) (net) | 8,554 | 3,674 | 8,704 | 13,393 |
| Other income | 8,947 | 10,302 | 31,125 | 95,399 |
| Total | 17,501 | 13,976 | 39,829 | 108,792 |
| 5 Profit before finance costs and tax (3+4) | 96,464 | 90,201 | 98,212 | 393,413 |
| 6 Finance costs | 1,463 | 1,292 | 1,341 | 5,332 |
| 7 Profit before tax (5-6) | 95,001 | 88,909 | 96,871 | 388,081 |
| 8 Tax expense - Current and Deferred Tax | 21,253 | 12,058 | 16,561 | 70,354 |
| 9 Profit after tax (7-8) | 73,748 | 76,851 | 80,310 | 317,727 |
| 10 Other Comprehensive Income | 1,737 | 8,928 | (13,228) | 13,054 |
| 11 Total Comprehensive Income (9+10) | 75,485 | 85,779 | 67,082 | 330,781 |
| 12 Paid-up Equity Share Capital (Face Value of Share Rs. 5) | 48,526 | 48,355 | 47,999 | 48,355 |
| 13 Total Reserves | | | | 1,451,114 |
| 14 Earnings Per Equity Share (Rs) (not annualised) | | | | |
| - Basic | 7.61 | 7.98 | 8.36 | 32.98 |
| - Diluted | 7.49 | 7.81 | 8.17 | 32.30 |

Notes :

1. The quarterly results have been reviewed by the Audit Committee and taken on record by the Board of Directors in its meeting held on August 1, 2016.

2. Certain matters relating to erstwhile Satyam Computer Services Limited (erstwhile Satyam):

In the letter dated January 7, 2009 Mr. B. Ramalinga Raju, the then Chairman of erstwhile Satyam, stated that the Balance Sheet of erstwhile Satyam as at September 30, 2008 carried inflated cash and bank balances, non-existent accrued interest, an understated liability and an overstated debtors position. Consequently, various regulators/investigating agencies such as the Serious Fraud Investigation Office (SFIO)/Registrar of Companies (ROC), Directorate of Enforcement (ED), Central Bureau of Investigation (CBI) had initiated investigations on various matters and conducted inspections and issued notices calling for information including from certain subsidiaries which have been responded to.

In 2009, SFIO initiated two proceedings against erstwhile Satyam for Companies Act violations which have since been compounded. On December 24, 2009, SFIO filed its report under Section 235 of the Companies Act before the Company Law Board (CLB) which stated that 'all these offences and violations relating to fraud have already been covered by CBI in its charge-sheet and a prosecution has been launched by CBI under various sections of Indian Penal Code in none of which erstwhile Satyam was made a party. Consequently, the CLB vide its further Order dated March 1, 2016 struck off the name of the Company from the array of respondent in the Company Petition filed by the Ministry of Company Affairs (MCA). There are no other proceedings initiated by SFIO/CLB against the Company and the Management does not expect any further proceedings or penal action in this regard.

On a FIR filed by one of the investors, the Andhra Pradesh Crime Branch, Crime Investigation Department (AP CB CID), Hyderabad started an investigation into the fraud in 2009, which was subsequently transferred to CBI, Hyderabad. In all, there were 3 separate complaints instituted by the CBI before the XIV Additional Chief Metropolitan Magistrate cum Special Sessions Court, Hyderabad (Special Court). By a common judgment dated April 9, 2015, the Special Court found the accused persons guilty and convicted them. The Company was not named as an accused in the proceedings and in the said judgment. Thus, in the opinion of the Management, the matter is closed so far as the Company is concerned and no further proceedings against the Company are envisaged in this regard.

Further, certain non-compliances/breaches of various laws and regulations by the erstwhile Satyam under the former Management (prior to Government nominated Board) were identified by various agencies including but not limited to the following - payment of remuneration/commission to whole-time directors/non-executive directors in excess of the limits prescribed under the Act, unauthorised borrowings, excess contributions to Satyam Foundation, loan to ASOP Trust (Satyam Associates Trust) without prior Board approval under the Act, delay in deposit of dividend in the bank, dividend paid without profits, non-transfer of profits to general reserve relating to interim dividend declared, utilisation of the Securities Premium account, declaration of bonus shares and violation of SEBI ESOP Guidelines, which have been responded to/appropriately addressed by the erstwhile Satyam/the Company and the Company does not expect any further proceedings in this regard.

