Tech Mahindra Limited
Stand Alone Audited Financial Results for the Quarter ended June 30, 2014

PART I

Rs. in Lakhs

Particulars	Quarter ended			Year ended
	June 30, 2014	March 31, 2014 (Refer Note 9)	June 30, 2013	March 31, 2014
1 Income from Operations	4,51,241	4,37,024	3,55,288	16,29,513
2 Expenses				
a) Employee benefits expense	1,69,444	1,63,982	1,67,792	6,97,145
b) Travelling Expenses	15,188	15,498	13,563	61,598
c) Services rendered by Business Associates & Others	1,47,401	1,30,935	57,663	3,40,124
d) Depreciation and amortisation expense	12,129	11,604	10,172	42,698
e) Other expenses	43,987	40,633	40,599	1,74,511
Total Expenses	3,88,149	3,62,652	2,89,789	13,16,076
3 Profit from operations before other income and finance costs (1-2)	63,092	74,372	65,499	3,13,437
4 Other Income				
Miscellaneous income	7,152	7,374	6,993	31,303
Exchange gain / (loss) (net)	660	(14,388)	9,136	(24,273)
Total	7,812	(7,014)	16,129	7,030
5 Profit before finance costs (3+4)	70,904	67,358	81,628	3,20,467
6 Finance costs				
Interest Cost on Borrowing	292	939	1,715	7,708
Currency Translation Loss / (Gain) on Foreign Currency Loan	-	-	910	975
Total	292	939	2,625	8,683
7 Profit after finance costs but before exceptional item and tax (5-6)	70,612	66,419	79,003	3,11,784
8 Exceptional item - Income	-	-	-	12,000
9 Profit before tax (7+8)	70,612	66,419	79,003	3,23,784
10 Tax expense				
a) Current Tax & Deferred Tax	17,911	14,085	19,116	77,897
b) Earlier years excess provision written back (refer note 3.4)	-	-	-	(22,660)
11 Net Profit for the period (9-10)	52,701	52,334	59,887	2,68,547
12 Paid-up Equity Share Capital (Face Value of Share Rs. 10)	23,439	23,347	12,877	23,347
13 Consideration on amalgamation pending allotment (Face Value of Share Rs. 10)	-	-	10,349	-
14 Loan Funds - Listed Debentures	-	30,000	30,000	30,000
15 Reserves excluding revaluation reserve	-	-	-	8,61,688
16 Debenture Redemption Reserve		-	-	29,721
17 Earnings Per Equity Share (Rs) (Before exceptional item) (not annualised)				
- Basic	22.55	22.51	25.83	110.33
- Diluted	21.85	21.91	25.30	107.39
18 Earnings Per Equity Share (Rs) (After exceptional item) (not annualised)				
- Basic	22.55	22.51	25.83	115.49
- Diluted	21.85	21.91	25.30	112.41
19 Ratios				
- Debt Equity Ratio	-	-	-	0.04
- Debt Service Coverage Ratio (DSCR)	-	-	-	1.64
- Interest Service Coverage Ratio (ISCR)	-	-	-	36.10

Note: Suggested definition for Coverage Ratios:
ISCR = Earnings before Interest and Tax / Interest Expense.
DSCR = Earnings before Interest and Tax/ (Interest + Principal Repayment)
See accompanying note to the financial results

Considerable time has elapsed after the initiation of investigation by various agencies and erstwhile Satyam had not received any further information as a result of the various ongoing investigations against erstwhile Satyam which required adjustments to the financial statements.

Further, in the opinion of the management, no new claims have been made when the Andhra Pradesh High Court considered and approved the merger, which need any further evaluation/adjustment/disclosure in the books, and all existing claims have been appropriately dealt with/recorded/disclosed in the books based on their current status.

Considering the above, notwithstanding the pendency of the various investigations/ proceedings, the Management is of the view that the above investigations/proceedings would not result in any additional material provisions/ write-offs/adjustments (other than those already provided for, written-off or disclosed) in the financial statements of the Company.

3.2 Forensic investigation and nature of financial irregularities

Consequent to the aforesaid letter, the Government nominated Board of Directors of erstwhile Satyam appointed an independent counsel ("Counsel") to conduct an investigation of the financial irregularities. The Counsel appointed forensic accountants to assist in the investigation (referred to as "forensic investigation") and preparation of the financial statements of erstwhile Satyam.

The forensic investigation conducted by the forensic accountants investigated accounting records to identify the extent of financial irregularities and mainly focused on the period from April 1, 2002 to September 30, 2008, being the last date up to which erstwhile Satyam published its financial results prior to the date of the letter. In certain instances, the forensic accountants conducted investigation procedures outside this period.

The forensic investigation had originally indicated possible diversion aggregating USD 41 Million from the proceeds of the American Depositary Shares (ADS) relating to erstwhile Satyam. The amount was revised to USD 19 Million based on the further details of utilisation of ADS proceeds obtained by erstwhile Satyam.

The overall impact of the fictitious entries and unrecorded transactions arising out of the forensic investigation, to the extent determined was accounted in the financial statements for the financial year ended March 31, 2009 of erstwhile Satyam.

Based on the forensic investigation, an aggregate amount of Rs. 113932 Lakhs (net debit) was identified in the financial statements of erstwhile Satyam as at March 31, 2009 under "Unexplained differences suspense account (net)" comprising of fictitious assets, unrecorded loans or where complete information is not available. On grounds of prudence, these amounts had been provided for by erstwhile Satyam in the financial year ended March 31, 2009 and since there is no further information available with the Management even after the lapse of more than four years, the said amount has been completely written off in the books of account of the Company during the year ended March 31, 2014.

The forensic investigation was unable to identify the nature of certain alleged transactions aggregating Rs. 123040 lakhs (net receipt) against which erstwhile Satyam had received legal notices from 37 companies claiming repayment of this amount which was allegedly given as temporary advances. Refer Note 3.3 below.

3.3 Alleged Advances

Consequent to the letter of the erstwhile Chairman, on January 8, 2009, the erstwhile Satyam received letters from thirty seven companies requesting confirmation by way of acknowledgement for receipt of certain alleged amounts referred to as "alleged advances". These letters were followed by legal notices from these companies dated August 4/5, 2009, claiming repayment of Rs. 123040 Lakhs allegedly given as temporary advances. The legal notices also claim damages/ compensation @18% per annum from date of advance till date of repayment. The erstwhile Satyam has not acknowledged any liability to any of the thirty seven companies and has replied to the legal notices stating that the claims are legally untenable.

The 37 companies had filed petitions / suits for recovery against the erstwhile Satyam before the City Civil Court, Secunderabad ("Court"), with a prayer that these companies be declared as indigent persons for seeking exemption from payment of requisite court fees.

One petition where court fees have been paid and the pauper petition converted into a suit which is pending disposal and petitions filed by remaining 36 companies are before the Court, at various stages of rejection of pauperism/ trial of pauperism/ inquiry in condone delay applications.

The remaining petitions are at a preliminary stage before the Court, for considering condonation of delay in re-submission of pauper petitions. In one petition, the delay had been condoned by the Court and the Company has obtained an interim stay order from the Honorable High Court of Andhra Pradesh.

The erstwhile Satyam had received legal notices from nearly all of the above companies, calling for payment of the amounts allegedly advanced by them (including interest and damages), failing which they would be constrained to file a petition for winding up the affairs of Satyam. In pursuance thereof, one of the aforesaid companies filed a winding up petition that was dismissed by the High Court. Against the said order of dismissal, the aforementioned company has filed an appeal before the Division Bench of High Court of Andhra Pradesh which is pending hearing.

Furthermore, even in connection with the merger proceedings, the erstwhile Satyam had received letters from the aforesaid companies claiming themselves to be "creditors". They had pleaded inter-alia before the High Court (hearing the merger petition of the erstwhile Satyam with the Company) that the mandatory provisions governing the scheme under the Companies Act, 1956 have not been complied with in so far as convening a meeting of the creditors is concerned. They contended that without convening a meeting of the creditors and hearing their objections, the merger scheme could not be proceeded with.

To address these and other related objections, the High Court directed the Official Liquidator, with the assistance of a firm of Chartered Accountants ("the firm"), to scrutinise the books of the erstwhile Satyam and submit a report on the allegations aforesaid including the accounting system adopted by it with respect to the alleged advances. The firm, in their report, inter-alia, stated that the erstwhile Satyam under its new management, was justified in not treating these amounts as creditors and in classifying these alleged advances as "Amounts pending investigation suspense account (net)".

The High Court after considering the report of the firm and other contentions of the erstwhile Satyam, held inter-alia, in its order approving the merger of the erstwhile Satyam with the Company, that the contention of the 37 companies that Satyam is retaining the money of the "creditors" and not paying them does not appear to be valid and further held that any right of the objecting creditors can be considered only if the genuineness of the debt is proved beyond doubt which is not so in this case.

The High Court in its order, further held that in the absence of Board resolutions and documents evidencing acceptance of unsecured loans by the former management of the erstwhile Satyam, the new management of the erstwhile Satyam is justified in not crediting the amounts received in their names and not showing them as creditors and further reflecting such amounts as Amounts pending investigation suspense account (net).

The Directorate of Enforcement (ED) is investigating the matter under the Prevention of Money Laundering Act, 2002 ("PMLA") and directed the erstwhile Satyam to furnish details with regard to the alleged advances and has also directed it not to return the alleged advances until further instructions from the ED. In furtherance to the investigation by the ED, the erstwhile Satyam was served with a provisional attachment order dated October 18, 2012 issued by the Joint Director, Directorate of Enforcement, Hyderabad under Section 5(1) of the PMLA ("the Order"), attaching certain Fixed Deposit accounts of the Company aggregating Rs. 82200 Lakhs for a period of 150 days. This attachment was initiated consequent to the charge sheets filed by the CBI against the erstwhile promoters of erstwhile Satyam and others

TECH MAHINDRA LIMITED

Tech Mahindra Limited
Stand Alone Audited Financial Results for the Quarter ended June 30, 2014

PART II : Selected Information for the Quarter ended June 30, 2014

Particulars	Quarter ended June 30, 2014	Quarter ended March 31, 2014	Quarter ended June 30, 2013	Year ended March 31, 2014
A PARTICULARS OF SHAREHOLDING (Without considering the consideration on amalgamation pending allotment at June 30, 2013)				
1 Public Shareholding				
- Number of shares	149651436	148735908	68033486	148735908
- Percentage of shareholding	63.85%	63.71%	52.83%	63.71%
2 Promoters and promoter group Shareholding				
a) Pledged/encumbered				
- Number of shares	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-
b) Non-encumbered				
- Number of shares	84736978	84736978	60736978	84736978
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	36.15%	36.29%	47.17%	36.29%

Particulars	3 months ended 30-June-2014
B. INVESTORS COMPLAINTS	
Pending at the beginning of the quarter	0
Received during the quarter	26
Disposed of during the quarter	26
Remaining unresolved at the end of the quarter	0

Notes :

1. The quarterly results have been reviewed by the Audit Committee and taken on records by the Board of Directors in its meeting held on 31st July 2014.

2. **Scheme of Amalgamation and Arrangement:**

Pursuant to the Scheme of Amalgamation and Arrangement (the "Scheme") sanctioned by the Honorable High Court of Andhra Pradesh vide its order dated June 11, 2013 and the Honorable High Court of Judicature at Bombay vide its order dated September 28, 2012, Venturbay Consultants Private Limited ("Venturbay"), CanvasM Technologies Limited ("CanvasM") and Mahindra Logisoft Business Solutions Limited ("Logisoft"), the wholly owned subsidiaries of the Company, and Satyam Computer Services Limited ("Satyam") an associate of the Company (through Venturbay) and C&S System Technologies Private Limited (C&S) a wholly owned subsidiary of erstwhile Satyam, merged with the Company with effect from April 1, 2011 (the "appointed date"). The Scheme came into effect on June 24, 2013, the day on which both the orders were delivered to the Registrar of the Companies, and pursuant thereto the entire business and all the assets and liabilities, duties and obligations of Satyam, Venturbay, CanvasM, Logisoft and C&S have been transferred to and vested in the Company with effect from April 1, 2011.

In accordance with the Scheme, the investments held in the respective subsidiaries and associate have been cancelled and the Company on July 6, 2013 has issued 2 equity shares of Rs. 10 each fully paid up in respect of every 17 equity shares of Rs. 2 each in the equity share capital of Satyam, aggregating 103485396 equity shares.

The Company transferred, out of its total holding in Satyam as on April 1, 2011, 2040 Lakhs equity shares to a Trust, to hold the shares and any additions or accretions thereto exclusively for the benefit of the Company. The balance shares held by the Company in Satyam have been cancelled.

As the other amalgamating companies i.e. Venturbay, Logisoft, CanvasM and C&S were wholly owned subsidiaries of the Company / Satyam, as applicable, no equity shares were exchanged to effect the amalgamation in respect thereof.

These amalgamations with the Company are non-cash transactions.

Pursuant to the Scheme, the title deeds for the immovable properties pertaining to the amalgamating companies are pending conveyance in the name of the Company. Further, the Company has initiated the name change formalities to transfer the title in respect of the other properties, contracts etc.

2.1 Appeals against the order sanctioning the Scheme

Appeals against the order by the single judge of the Honorable High Court of Andhra Pradesh approving the Scheme of merger have been filed by 37 companies before the Division Bench of the Honorable High Court of Andhra Pradesh. No interim orders have been passed and the appeals are pending hearing.

One of the said company has also appealed against the order of the single judge rejecting the Petition for winding up of erstwhile Satyam. The matter has been combined with the above appeals for hearing.

3. Matters pertaining to erstwhile Satyam Computer Services Limited (erstwhile Satyam):

3.1 Investigation by authorities in India

In the letter of January 7, 2009 (the "letter") of Mr. B. Ramalinga Raju, the then Chairman of erstwhile Satyam, admitted that the Balance Sheet of erstwhile Satyam as at September 30, 2008 carried an 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 Central Bureau of Investigation (CBI), Serious Fraud Investigation Office (SFIO) / Registrar of Companies (ROC), Directorate of Enforcement (ED), etc., had initiated their investigation on various matters which are yet to be concluded.

On May 22, 2013, the ED has issued a show-cause notice to erstwhile Satyam for contravention of provisions of the Foreign Exchange Management Act, 1999 (FEMA) for alleged non-repatriation of ADS proceeds aggregating USD 39.2 Million. The Company has responded to the show-cause notice.

Certain agencies viz., SFIO and ED, pursuant to the matters stated above, had conducted inspections and issued notices calling for information from certain subsidiaries which have been responded/in the process of being responded to. In furtherance to the investigation of erstwhile Satyam, certain Regulatory Agencies in India sought assistance from Overseas Regulators and accordingly, sought information from certain overseas subsidiaries.

As per the assessment of the Management, based on the forensic investigation and the information available up to this stage, all identified/required adjustments/disclosures arising from the identified financial irregularities, had been made in the financial statements of erstwhile Satyam as at March 31, 2009.

and investigation conducted by the ED under the PMLA. As stated in the Order, the investigations of the ED revealed that Rs. 82200 Lakhs constitutes "proceeds of crime" as defined in the PMLA. The erstwhile Satyam had challenged the Order in the Honorable High Court of Andhra Pradesh ("the Writ"). The Honorable High Court of Andhra Pradesh ("the High Court") has, pending further orders, granted stay of the said Order and all proceedings pursuant thereto vide its interim order dated December 11, 2012. The ED has challenged the interim order before the Division Bench of the Honorable High Court of Andhra Pradesh which is pending disposal. The ED has filed a petition before the Honorable High Court of Andhra Pradesh on June 3, 2013 to direct the banks with whom the aforementioned fixed deposits are held, not to allow the erstwhile Satyam to redeem/pre-close the Fixed Deposits pending disposal of the Writ. The petition is pending hearing.

The company received summons dated February 26, 2014 from "Honorable XXI Additional Chief Metropolitan Magistrate, Hyderabad cum Special Sessions Court" in connection with Enforcement Directorate filing a complaint under the Prevention of Money Laundering Act, 2002 against the Company along with 212 Accused persons. In the complaint, ED has alleged that the Company has been involved in the offence of money laundering by possessing the proceeds of crime and projecting them as untainted. The Company strongly believes that the said prosecution against the Company is legally untenable. The Company has challenged the above complaint before the Honorable High Court of Hyderabad and also sought for interim stay of all the proceedings before the above court which is pending.

In view of the aforesaid developments and also based on legal opinion, the erstwhile Satyam's management's view, which is also the Company's Management's view, that the claim regarding the repayment of "alleged advances" (including interest thereon) of the 37 companies are not legally tenable has been reinforced. Accordingly, in the opinion of the Company's Management, even in the unlikely event that the principal amount of the claims of the 37 companies are held to be tenable and the Company is required to repay these amounts, such an eventuality will not have an adverse bearing on either the Company's profits or its reserves in that period, since the Company has been legally advised that no damages/compensation/interest would be payable even in such an unlikely event.

However, notwithstanding the above, pending the final outcome of the recovery suit filed by the 37 companies in the City Civil Court and the ED matter under the PMLA pending before the High Court, the Company, as a matter of prudence, at this point of time, is continuing to classify the amounts of the alleged advances as "Amounts pending investigation suspense Account (net)", and the same would be appropriately dealt with/reclassified when the final outcome becomes clearer.

3.4. Provision for taxation

Erstwhile Satyam was carrying a total amount of Rs. 49892 Lakhs (net of taxes paid) as at March 31, 2013 (before giving effect to its amalgamation with the Company) towards provision for taxation, including for the prior years for which the assessments are under dispute.

Subsequent to the amalgamation, duly considering the professional advice obtained in the matter, the Management has re-evaluated the effects of the possible outcomes of the tax matters in dispute relating to erstwhile Satyam and the estimated excess tax provision amounting to Rs. 22660 Lakhs determined based on such evaluation in respect of the prior years has been written back during the previous year ended March 31, 2014. In the opinion of the Management the balance provision for taxation carried in the books with respect to the prior year disputes relating to erstwhile Satyam is adequate.

4. Exceptional item

The exceptional item (income) amounting to Rs. 12000 Lakhs represents write back during the previous year ended March 31, 2014 of the excess provision for contingencies provided in an earlier year by erstwhile Satyam, based on a re-evaluation of the same by the Management.

5. The Board of Directors of the Company in their meeting held on November 29, 2013 have approved the scheme of amalgamation and arrangement (the "Scheme") which provides for the amalgamation of Mahindra Engineering Services Limited (MESL), under sections 391 to 394 read with sections 78, 100 to 104 and other applicable provisions of the Companies Act, 1956. The Scheme also provides for the consequent reorganization of the securities premium of the Company. The Appointed date of the Scheme is April 1, 2013.

The Board of Directors of the Company have recommended to issue 5 fully paid up Equity Shares of Rs 10 each of the Company for every 12 fully paid Equity Shares of Rs. 2 each of MESL.

The Company has received approval from Competition Commission of India (CCI) on January 7, 2014. Approvals from Bombay Stock Exchange and the National Stock Exchange are received on March 7, 2014.

In the Court Convened Meeting of the shareholders of the Company convened pursuant to the Order of the Honorable High Court of Judicature at Bombay held on June 20th 2014 the shareholders have approved the Scheme in accordance with the provisions of Sections 391 and 394 read with Sections 78, 100 to 104 and other applicable provisions of the Companies Act, 1956.

The Company has filed the Petition for approval of the merger with the Honorable High Court of Judicature at Bombay on 18th July 2014 which is pending.

The merger would be effective once the order is received from Honorable High Court of Bombay and filed with the Registrar of Companies ('ROC').

6. During the quarter ended June 30, 2014 the company has acquired 75% stake in FixStream Networks Inc. for USD 10 Million (Rs. 6040 Lakhs).

7. During the quarter ended June 30, 2014, the Company has acquired 100% stake in Tech Mahindra IPR Inc. from Tech Mahindra (Americas) Inc. (100 % subsidiary of the company) w.e.f. June 26, 2014 for consideration of USD 0.10 Million (Rs. 60 Lakhs).

8. Current tax for the previous year ended March 31, 2014 includes provision of Rs. 2398 lakhs of earlier years written back, no longer required as the company has received the refund on finalisation of assessment.

9. Figures of the quarter ended March 31, 2014 are the balancing figures between audited figures in respect of the full financial year and published year to date figures up to the third quarter of the relevant financial year.

10. Previous period figures have been regrouped/rearranged wherever necessary.

11. The qualification in the Auditors' Report for the quarter ended June 30, 2014 and Management response thereon;

The Auditor has qualified their report on the following ground;

With respect to the matters described in Note 3.3 above, in the absence of complete / required information, and since the matter is sub-judice, their inability to comment on the accounting treatment/adjustments/disclosures relating to the aforesaid alleged advances amounting to Rs. 123040 Lakhs (net) and the related claims for damages/compensation/interest, which may become necessary as a result of the ongoing legal proceedings and the consequential impact, if any, on these financial results. However, in the eventuality of any payment upto Rs 123040 lakhs, against the aforesaid claims for the principal amounts of the alleged advances, there will be no impact on the profits/losses or reserves of the Company.

With regard to the auditors' qualification in note above, refer to the details in note 3.3.

TECH MAHINDRA LIMITED

Date : 31st July, 2014
Place : Mumbai

Vineet Nayyar
Executive Vice Chairman

Tech Mahindra Limited
Consolidated Audited Financial Results for the Quarter ended June 30, 2014

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A PARTICULARS OF SHAREHOLDING (Without considering the consideration on amalgamation pending allotment at June 30, 2013)				
1 Public Shareholding				
- Number of shares	149651436	148735908	68033486	148735908
- Percentage of shareholding	63.85%	63.71%	52.83%	63.71%
2 Promoters and promoter group Shareholding				
a) Pledged/encumbered				
- Number of shares	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-
b) Non-encumbered				
- Number of shares	84736978	84736978	60736978	84736978
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	36.15%	36.29%	47.17%	36.29%

Particulars	3 months ended 30-June-2014
B. INVESTORS COMPLAINTS	
Pending at the beginning of the quarter	0
Received during the quarter	26
Disposed of during the quarter	26
Remaining unresolved at the end of the quarter	0

Stand-Alone Information (Audited)

Rs. In Lakhs

Particulars	Quarter ended June 30, 2014	Quarter ended March 31, 2014	Quarter ended June 30, 2013	Year ended March 31, 2014
Income from Operations	4,51,241	4,37,024	3,55,288	16,29,513
Profit before tax	70,612	66,419	79,003	3,23,784
Profit after tax	52,701	52,334	59,887	2,68,547

Primary Segments

The Company identifies its Primary Business Segments based on the type of services offered, i.e. IT Services & BPO services.

Segment wise Revenue, Results and Capital Employed

Rs. In Lakhs

Particulars	Quarter ended June 30, 2014	Quarter ended March 31, 2014	Quarter ended June 30, 2013	Year ended March 31, 2014
Segment Revenue				
a) IT	4,68,147	4,57,995	3,68,274	17,01,390
b) BPO	44,003	47,816	42,049	1,81,748
Total	**5,12,150**	**5,05,811**	**4,10,323**	**18,83,138**
Less: Inter Segment Revenue	-	-	-	-
Net Sales / Income from operations	**5,12,150**	**5,05,811**	**4,10,323**	**18,83,138**
Segment Profit before tax, Interest and depreciation				
a) IT	1,21,547	1,31,670	1,05,525	5,10,578
b) BPO	14,386	16,819	13,181	59,843
Total	**1,35,933**	**1,48,489**	**1,18,706**	**5,70,421**
Less:				
(i) Finance costs	412	982	2,230	7,988
(ii) Other un-allocable expenditure Net off un-allocable income	49,086	64,261	23,271	1,80,961
Profit before tax	**86,435**	**83,246**	**93,205**	**3,81,472**

Segmental Capital Employed

Segregation of assets, liabilities, depreciation and other non-cash expenses into various primary segments has not been done as the assets are used interchangeably between segments. Accordingly no disclosure relating to Segmental assets and liabilities has been made.

Notes :

1. The quarterly results have been reviewed by the Audit Committee and taken on records by the Board of Directors in its meeting held on 31st July 2014.

2. **Scheme of Amalgamation and Arrangement:**

Pursuant to the Scheme of Amalgamation and Arrangement (the "Scheme") sanctioned by the Honorable High Court of Andhra Pradesh vide its order dated June 11, 2013 and the Honorable High Court of Judicature at Bombay vide its order dated September 28, 2012, Venturbay Consultants Private Limited ("Venturbay"), CanvasM Technologies Limited ("CanvasM") and Mahindra Logisoft Business Solutions Limited ("Logisoft"), the wholly owned subsidiaries of the Company, and Satyam Computer Services Limited ("Satyam") an associate of the Company (through Venturbay) and C&S System Technologies Private Limited (C&S) a wholly owned subsidiary of erstwhile Satyam, merged with the Company with effect from April 1, 2011 (the "appointed date"). The Scheme came into effect on June 24, 2013, the day on which both the orders were delivered to the Registrar of the Companies, and pursuant thereto the entire business and all the assets and liabilities, duties and obligations of Satyam, Venturbay, CanvasM, Logisoft and C&S have been transferred to and vested in the Company with effect from April 1, 2011.

In accordance with the Scheme, the investments held in the respective subsidiaries and associate have been cancelled and the Company on July 6, 2013 has issued 2 equity shares of Rs. 10 each fully paid up in respect of every 17 equity shares of Rs. 2 each in the equity share capital of Satyam, aggregating 103485396 equity shares.

The Company transferred, out of its total holding in Satyam as on April 1, 2011, 2040 Lakhs equity shares to a Trust, to hold the shares and any additions or accretions thereto exclusively for the benefit of the Company. The balance shares held by the Company in Satyam have been cancelled.

As the other amalgamating companies i.e. Venturbay, Logisoft, CanvasM and C&S were wholly owned subsidiaries of the Company / Satyam, as applicable, no equity shares were exchanged to effect the amalgamation in respect thereof.

These amalgamations with the Company are non-cash transactions.

Pursuant to the Scheme, the title deeds for the immovable properties pertaining to the amalgamating companies are pending conveyance in the name of the Company. Further, the Company has initiated the name change formalities to transfer the title in respect of the other properties, contracts etc.

2.1 Appeals against the order sanctioning the Scheme

Appeals against the order by the single judge of the Honorable High Court of Andhra Pradesh approving the Scheme of merger have been filed by 37 companies before the Division Bench of the Honorable High Court of Andhra Pradesh. No interim orders have been passed and the appeals are pending hearing.

One of the said company has also appealed against the order of the single judge rejecting the Petition for winding up of erstwhile Satyam. The matter has been combined with the above appeals for hearing.

The High Court after considering the report of the firm and other contentions of the erstwhile Satyam, held inter-alia, in its order approving the merger of the erstwhile Satyam with the Company, that the contention of the 37 companies that Satyam is retaining the money of the "creditors" and not paying them does not appear to be valid and further held that any right of the objecting creditors can be considered only if the genuineness of the debt is proved beyond doubt which is not so in this case.

The High Court in its order, further held that in the absence of Board resolutions and documents evidencing acceptance of unsecured loans by the former management of the erstwhile Satyam, the new management of the erstwhile Satyam is justified in not crediting the amounts received in their names and not showing them as creditors and further reflecting such amounts as Amounts pending investigation suspense account (net).

The Directorate of Enforcement (ED) is investigating the matter under the Prevention of Money Laundering Act, 2002 ("PMLA") and directed the erstwhile Satyam to furnish details with regard to the alleged advances and has also directed it not to return the alleged advances until further instructions from the ED. In furtherance to the investigation by the ED, the erstwhile Satyam was served with a provisional attachment order dated October 18, 2012 issued by the Joint Director, Directorate of Enforcement, Hyderabad under Section 5(1) of the PMLA ("the Order"), attaching certain Fixed Deposit accounts of the Company aggregating Rs. 82200 Lakhs for a period of 150 days. This attachment was initiated consequent to the charge sheets filed by the CBI against the erstwhile promoters of erstwhile Satyam and others and investigation conducted by the ED under the PMLA. As stated in the Order, the investigations of the ED revealed that Rs. 82200 Lakhs constitutes "proceeds of crime" as defined in the PMLA. The erstwhile Satyam had challenged the Order in the Honorable High Court of Andhra Pradesh ("the Writ"). The Honorable High Court of Andhra Pradesh ("the High Court") has, pending further orders, granted stay of the said Order and all proceedings pursuant thereto vide its interim order dated December 11, 2012. The ED has challenged the interim order before the Division Bench of the Honorable High Court of Andhra Pradesh which is pending disposal. The ED has filed a petition before the Honorable High Court of Andhra Pradesh on June 3, 2013 to direct the banks with whom the aforementioned fixed deposits are held, not to allow the erstwhile Satyam to redeem/pre-close the Fixed Deposits pending disposal of the Writ. The petition is pending hearing.

The company received summons dated February 26, 2014 from "Honorable XXI Additional Chief Metropolitan Magistrate, Hyderabad cum Special Sessions Court" in connection with Enforcement Directorate filing a complaint under the Prevention of Money Laundering Act, 2002 against the Company along with 212 Accused persons. In the complaint, ED has alleged that the Company has been involved in the offence of money laundering by possessing the proceeds of crime and projecting them as untainted. The Company strongly believes that the said prosecution against the Company is legally untenable. The Company has challenged the above complaint before the Honorable High Court of Hyderabad and also sought for interim stay of all the proceedings before the above court which is pending.

In view of the aforesaid developments and also based on legal opinion, the erstwhile Satyam's management's view, which is also the Company's Management's view, that the claim regarding the repayment of "alleged advances" (including interest thereon) of the 37 companies are not legally tenable has been reinforced. Accordingly, in the opinion of the Company's Management, even in the unlikely event that the principal amount of the claims of the 37 companies are held to be tenable and the Company is required to repay these amounts, such an eventuality will not have an adverse bearing on either the Company's profits or its reserves in that period, since the Company has been legally advised that no damages/compensation/interest would be payable even in such an unlikely event.

However, notwithstanding the above, pending the final outcome of the recovery suit filed by the 37 companies in the City Civil Court and the ED matter under the PMLA pending before the High Court, the Company, as a matter of prudence, at this point of time, is continuing to classify the amounts of the alleged advances as "Amounts pending investigation suspense Account (net)", and the same would be appropriately dealt with/reclassified when the final outcome becomes clearer.

3.4. Provision for taxation

Erstwhile Satyam was carrying a total amount of Rs. 49892 Lakhs (net of taxes paid) as at March 31, 2013 (before giving effect to its amalgamation with the Company) towards provision for taxation, including for the prior years for which the assessments are under dispute.

Subsequent to the amalgamation, duly considering the professional advice obtained in the matter, the Management has re-evaluated the effects of the possible outcomes of the tax matters in dispute relating to erstwhile Satyam and the estimated excess tax provision amounting to Rs. 22660 Lakhs determined based on such evaluation in respect of the prior years has been written back during the previous year ended March 31, 2014. In the opinion of the Management the balance provision for taxation carried in the books with respect to the prior year disputes relating to erstwhile Satyam is adequate.

4. Exceptional Item

The exceptional item (income) amounting to Rs. 12000 Lakhs represents write back during the previous year ended March 31, 2014 of the excess provision for contingencies provided in an earlier year by erstwhile Satyam, based on a re-evaluation of the same by the Management.

5. The Board of Directors of the Company in their meeting held on November 29, 2013 have approved the scheme of amalgamation and arrangement (the "Scheme") which provides for the amalgamation of Mahindra Engineering Services Limited (MESL), under sections 391 to 394 read with sections 78, 100 to 104 and other applicable provisions of the Companies Act, 1956. The Scheme also provides for the consequent reorganization of the securities premium of the Company. The Appointed date of the Scheme is April 1, 2013.

The Board of Directors of the Company have recommended to issue 5 fully paid up Equity Shares of Rs 10 each of the Company for every 12 fully paid Equity Shares of Rs. 2 each of MESL.

The Company has received approval from Competition Commission of India (CCI) on January 7, 2014. Approvals from Bombay Stock Exchange and the National Stock Exchange are received on March 7, 2014.

In the Court Convened Meeting of the shareholders of the Company convened pursuant to the Order of the Honorable High Court of Judicature at Bombay held on June 20th 2014 the shareholders have approved the Scheme in accordance with the provisions of Sections 391 and 394 read with Sections 78, 100 to 104 and other applicable provisions of the Companies Act, 1956.

The Company has filed the Petition for approval of the merger with the Honorable High Court of Judicature at Bombay on 18th July 2014 which is pending.

The merger would be effective once the order is received from Honorable High Court of Bombay and filed with the Registrar of Companies ('ROC').

6. During the quarter ended June 30, 2014 the company has acquired 75% stake in FixStream Networks Inc. for USD 10 Million (Rs. 6040 Lakhs).

7. Tech Mahindra Gmbh (100 % subsidiary of Tech Mahindra Limited) has entered into a share and asset purchase agreement dated February 26, 2014 for acquiring 100 % stake in the equity of BASF Business Services holding GmbH for a consideration not exceeding EURO 10 million (Rs. 8216 Lakhs) (which includes upfront payment of EURO 7.30 Million) subject to achievement of certain conditions and regulatory approvals.

8. During the quarter ended June 30, 2014, the Company has acquired 100% stake in Tech Mahindra IPR Inc. from Tech Mahindra (Americas) Inc. (100 % subsidiary of the company) w.e.f. June 26, 2014 for consideration of USD 0.10 Million (Rs. 60 Lakhs).

9. Current tax for the previous year ended March 31, 2014 includes provision of Rs. 2398 lakhs of earlier years written back, no longer required as the company has received the refund on finalisation of assessment.

10. Figures of the quarter ended March 31, 2014 are the balancing figures between audited figures in respect of the full financial year and published year to date figures up to the third quarter of the relevant financial year.

11. Previous period figures have been regrouped/rearranged wherever necessary.

12. The standalone financial results have been made available to the Stock Exchanges where the company's securities are listed and are posted on the company's website www.techmahindra.com.

13. The qualification in the Auditors' Report for the quarter ended June 30, 2014 and Management response thereon;

The Auditor has qualified their report on the following ground;

With respect to the matters described in Note 3.3 above, in the absence of complete / required information, and since the matter is sub-judice, their inability to comment on the accounting treatment/adjustments/disclosures relating to the aforesaid alleged advances amounting to Rs. 123040 Lakhs (net) and the related claims for damages/compensation/interest, which may become necessary as a result of the ongoing legal proceedings and the consequential impact, if any, on these financial results. However, in the eventuality of any payment upto Rs 123040 lakhs, against the aforesaid claims for the principal amounts of the alleged advances, there will be no impact on the profits/losses or reserves of the Company.

With regard to the auditors' qualification in note above, refer to the details in note 3.3.

Date : 31st July, 2014
Place : Mumbai

Vineet Nayyar
Executive Vice Chairman

TECH MAHINDRA LIMITED

Tech Mahindra

Revenue for the quarter at Rs.51,215 Mn, up 25% over previous year

Tech Mahindra Limited
Consolidated Audited Financial Results for the Quarter ended June 30, 2014

PART I

Rs. In Lakhs

Particulars	Quarter ended June 30, 2014	Quarter ended March 31, 2014 (Refer Note 10)	Quarter ended June 30, 2013	Year ended March 31, 2014
1 Income from Operations	5,12,150	5,05,811	4,10,323	18,83,138
2 Expenses				
a) Employee benefits expense	2,73,232	2,63,658	2,20,535	9,73,550
b) Travelling Expenses	25,566	20,615	18,089	79,807
c) Services rendered by Business Associates & Others	58,860	51,658	30,976	1,71,142
d) Depreciation and amortisation expense	14,921	14,294	11,743	52,218
e) Other expenses	61,651	62,695	54,275	2,40,265
Total Expenses	4,34,230	4,12,920	3,35,618	15,16,982
3 Profit from operations before other income and finance costs (1-2)	77,920	92,891	74,705	3,66,156
4 Other Income				
Miscellaneous income	7,740	8,039	7,351	31,378
Exchange (loss) (net)	1,187	(16,702)	13,379	(20,074)
Total	8,927	(8,663)	20,730	11,304
5 Profit before finance costs (3+4)	86,847	84,228	95,435	3,77,460
6 Finance costs				
Interest Cost on Borrowing	412	982	1,320	7,013
Currency Translation Loss / (Gain) on Foreign Currency Loan	-	-	910	975
Total	412	982	2,230	7,988
7 Profit after finance costs but before exceptional item and tax (5-6)	86,435	83,246	93,205	3,69,472
8 Exceptional item - Income	-	-	-	12,000
9 Profit before tax (7+8)	86,435	83,246	93,205	3,81,472
10 Tax expense				
a) Current Tax & Deferred Tax	23,078	20,913	23,278	97,894
b) Earlier years excess provision written back (refer note 3.4)	-	-	-	(22,660)
11 Profit after tax but before minority interest (9-10)	63,357	62,333	69,927	3,06,238
12 Minority Interest	(285)	(912)	(1,296)	(3,357)
13 Net Profit for the period (11+12)	63,072	61,421	68,631	3,02,881
14 Paid-up Equity Share Capital (Face Value of Share Rs. 10)	23,439	23,347	12,877	23,347
15 Consideration on amalgamation pending allotment (Face Value of Share Rs. 10)	-	-	10,349	-
16 Loan Funds - Listed Debentures	-	30,000	30,000	30,000
17 Reserves excluding revaluation reserve	-	-	-	9,18,070
18 Debenture Redemption Reserve	-	-	-	29,721
19 Earnings Per Equity Share (Rs) (Before exceptional item) (not annualised)				
- Basic	26.98	26.41	29.60	125.09
- Diluted	26.15	25.71	29.00	121.76
20 Earnings Per Equity Share (Rs) (After exceptional item) (not annualised)				
- Basic	26.98	26.41	29.60	130.25
- Diluted	26.15	25.71	29.00	126.78
21 Ratios				
- Debt Equity Ratio	-	-	-	0.04
- Debt Service Coverage Ratio (DSCR)	-	-	-	2.08
- Interest Service Coverage Ratio (ISCR)	-	-	-	45.84

Note: Suggested definition for Coverage Ratios:
ISCR = Earnings before Interest and Tax / Interest Expense.
DSCR = Earnings before Interest and Tax/ (Interest + Principal Repayment)
See accompanying note to the financial results

3. Matters pertaining to erstwhile Satyam Computer Services Limited (erstwhile Satyam):

3.1 Investigation by authorities in India

In the letter of January 7, 2009 (the "letter") of Mr. B. Ramalinga Raju, the then Chairman of erstwhile Satyam, admitted that the Balance Sheet of erstwhile Satyam as at September 30, 2008 carried an 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 Central Bureau of Investigation (CBI), Serious Fraud Investigation Office (SFIO) / Registrar of Companies (ROC), Directorate of Enforcement (ED), etc., had initiated their investigation on various matters which are yet to be concluded.

On May 22, 2013, the ED has issued a show-cause notice to erstwhile Satyam for contravention of provisions of the Foreign Exchange Management Act, 1999 (FEMA) for alleged non-repatriation of ADS proceeds aggregating USD 39.2 Million. The Company has responded to the show-cause notice.

Certain agencies viz., SFIO and ED, pursuant to the matters stated above, had conducted inspections and issued notices calling for information from certain subsidiaries which have been responded/in the process of being responded to. In furtherance to the investigation of erstwhile Satyam, certain Regulatory Agencies in India sought assistance from Overseas Regulators and accordingly, sought information from certain overseas subsidiaries.

As per the assessment of the Management, based on the forensic investigation and the information available up to this stage, all identified/required adjustments/disclosures arising from the identified financial irregularities, had been made in the financial statements of erstwhile Satyam as at March 31, 2009.

Considerable time has elapsed after the initiation of investigation by various agencies and erstwhile Satyam had not received any further information as a result of the various ongoing investigations against erstwhile Satyam which required adjustments to the financial statements.

Further, in the opinion of the management, no new claims have been made when the Andhra Pradesh High Court considered and approved the merger, which need any further evaluation/adjustment/disclosure in the books, and all existing claims have been appropriately dealt with/recorded/disclosed in the books based on their current status.

Considering the above, notwithstanding the pendency of the various investigations/ proceedings, the Management is of the view that the above investigations/proceedings would not result in any additional material provisions/ write-offs/adjustments (other than those already provided for, written-off or disclosed) in the financial statements of the Company.

3.2 Forensic Investigation and nature of financial irregularities

Consequent to the aforesaid letter, the Government nominated Board of Directors of erstwhile Satyam appointed an independent counsel ("Counsel") to conduct an investigation of the financial irregularities. The Counsel appointed forensic accountants to assist in the investigation (referred to as "forensic investigation") and preparation of the financial statements of erstwhile Satyam.

The forensic investigation conducted by the forensic accountants investigated accounting records to identify the extent of financial irregularities and mainly focused on the period from April 1, 2002 to September 30, 2008, being the last date up to which erstwhile Satyam published its financial results prior to the date of the letter. In certain instances, the forensic accountants conducted investigation procedures outside this period.

The forensic investigation had originally indicated possible diversion aggregating USD 41 Million from the proceeds of the American Depositary Shares (ADS) relating to erstwhile Satyam. The amount was revised to USD 19 Million based on the further details of utilisation of ADS proceeds obtained by erstwhile Satyam.

The overall impact of the fictitious entries and unrecorded transactions arising out of the forensic investigation, to the extent determined was accounted in the financial statements for the financial year ended March 31, 2009 of erstwhile Satyam.

Based on the forensic investigation, an aggregate amount of Rs. 113932 Lakhs (net debit) was identified in the financial statements of erstwhile Satyam as at March 31, 2009 under "Unexplained differences suspense account (net)" comprising of fictitious assets, unrecorded loans or where complete information is not available. On grounds of prudence, these amounts had been provided for by erstwhile Satyam in the financial year ended March 31, 2009 and since there is no further information available with the Management even after the lapse of more than four years, the said amount has been completely written off in the books of account of the Company during the year ended March 31, 2014.

The forensic investigation was unable to identify the nature of certain alleged transactions aggregating Rs. 123040 lakhs (net receipt) against which erstwhile Satyam had received legal notices from 37 companies claiming repayment of this amount which was allegedly given as temporary advances. Refer Note 3.3 below.

3.3 Alleged Advances

Consequent to the letter of the erstwhile Chairman, on January 8, 2009, the erstwhile Satyam received letters from thirty seven companies requesting confirmation by way of acknowledgement for receipt of certain alleged amounts referred to as "alleged advances". These letters were followed by legal notices from these companies dated August 4/5, 2009, claiming repayment of Rs. 123040 Lakhs allegedly given as temporary advances. The legal notices also claim damages/ compensation @18% per annum from date of advance till date of repayment. The erstwhile Satyam has not acknowledged any liability to any of the thirty seven companies and has replied to the legal notices stating that the claims are legally untenable.

The 37 companies had filed petitions / suits for recovery against the erstwhile Satyam before the City Civil Court, Secunderabad ("Court"), with a prayer that these companies be declared as indigent persons for seeking exemption from payment of requisite court fees.

One petition where court fees have been paid and the pauper petition converted into a suit which is pending disposal and petitions filed by remaining 36 companies are before the Court, at various stages of rejection of pauperism/ trial of pauperism/ inquiry in condone delay applications.

The remaining petitions are at a preliminary stage before the Court, for considering condonation of delay in re-submission of pauper petitions. In one petition, the delay had been condoned by the Court and the Company has obtained an interim stay order from the Honorable High Court of Andhra Pradesh.

The erstwhile Satyam had received legal notices from nearly all of the above companies, calling for payment of the amounts allegedly advanced by them (including interest and damages), failing which they would be constrained to file a petition for winding up the affairs of Satyam. In pursuance thereof, one of the aforesaid companies filed a winding up petition that was dismissed by the High Court. Against the said order of dismissal, the aforementioned company has filed an appeal before the Division Bench of High Court of Andhra Pradesh which is pending hearing.

Furthermore, even in connection with the merger proceedings, the erstwhile Satyam had received letters from the aforesaid companies claiming themselves to be "creditors". They had pleaded inter-alia before the High Court (hearing the merger petition of the erstwhile Satyam with the Company) that the mandatory provisions governing the scheme under the Companies Act, 1956 have not been complied with in so far as convening a meeting of the creditors is concerned. They contended that without convening a meeting of the creditors and hearing their objections, the merger scheme could not be proceeded with.

To address these and other related objections, the High Court directed the Official Liquidator, with the assistance of a firm of Chartered Accountants ("the firm"), to scrutinise the books of the erstwhile Satyam and submit a report on the allegations aforesaid including the accounting system adopted by it with respect to the alleged advances. The firm, in their report, inter-alia, stated that the erstwhile Satyam under its new management, was justified in not treating these amounts as creditors and in classifying these alleged advances as "Amounts pending investigation suspense account (net)".

TECH MAHINDRA LIMITED