

**Revenue for the quarter at Rs. 74,950 Mn, up 8.9 % over previous year**

**Revenue for the year at Rs. 291,408 Mn, up 10 % over previous year**

**Tech Mahindra Limited**

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**Extract of Audited Consolidated Financial Results of Tech Mahindra Limited and its subsidiaries for the quarter and year ended March 31, 2017.**

Particulars	Rs.in Lakhs		
	Quarter ended March 31, 2017	Year ended March 31, 2017	Quarter ended March 31, 2016
1 Total Revenue from Operations (Net)	749,500	2,914,084	688,373
2 Net Profit before tax	82,131	385,300	105,679
3 Net Profit for the period after tax	58,969	285,087	87,614
4 Total Comprehensive Income for the period (comprising Profit for the period after tax and Other Comprehensive Income after tax)	60,673	293,421	97,939
5 Equity Share Capital	43,877	43,877	43,554
6 Total Reserves	1,599,842	1,599,842	1,415,537
7 Earnings Per Equity Share (Rs.)			
- Basic	6.72	32.14	9.86
- Diluted	6.61	31.64	9.63

**Notes :**

- The quarterly and yearly results have been reviewed by the Audit Committee and taken on record by the Board of Directors in its meeting held on May 26, 2017.
- The Board of Directors has recommended a final dividend of Rs. 9/- per share on par value of Rs. 5/- (180%).
- On April 29, 2016, Company had incorporated a subsidiary, PF Holdings B.V. in Netherlands. The Company infused EUR 25.10 Million (Rs. 18840 Lakhs) in share capital of PF Holdings B.V. for 60% stake. On May 30, 2016, the Company jointly with Mahindra and Mahindra Limited, through PF Holdings B.V., completed the acquisition of purchasing the controlling stake in Pininfarina S.p.A., an iconic Italian brand in automotive and industrial design. As per the agreement, the Company and Mahindra and Mahindra Limited purchased 76.06 % stake for a total upfront consideration of EUR 25.24 Million (Rs. 18950 Lakhs). Accordingly, Pininfarina S.p.A. became a step-down subsidiary of the Company w.e.f. the said date. Further, as per the share purchase agreement, PF Holdings B.V. made an open public offer to acquire remaining 7205128 shares of Pininfarina S.p.A at a price of Euro 1.10 per share, payable upfront. The open offer concluded on July 29, 2016 in which 22348 equity shares were purchased and transferred on August 5, 2016 in the name of PF Holdings B.V. and accordingly, PF Holdings B.V. increased its holding to 76.18% of the share capital of Pininfarina S.p.A.
- The Company, through its subsidiary, Tech Mahindra Fintech Holdings Limited acquired 100 % equity stake in Target Topco Limited, a company based in UK on August 19, 2016 for an aggregate consideration upto GBP 163.75 Million. The company, as per the share purchase agreement paid the initial consideration of GBP 102.75 Million (Rs. 90360 Lakhs) and accrued on fair value the balance consideration of GBP 20.22 Million (Rs. 17780 Lakhs) which is payable on mutually agreed performance milestones in Calendar year 2020.
- The Company, on June 21, 2016 entered into an agreement to acquire 100 % share capital in The Bio Agency Limited, a company based in UK for a consideration upto GBP 43.36 Million. The company, on July 1, 2016 completed the acquisition and paid the initial consideration of GBP 24.91 Million (Rs. 22650 Lakhs). The balance consideration payable on mutually agreed performance milestones has been accrued on fair value amounting to GBP 11.33 Million (Rs. 10270 Lakhs).
- The Company through its subsidiary, Tech Mahindra (Americas) Inc. signed a definitive agreement dated March 6, 2017 to acquire 84.70% equity stake in The CJS Solutions Group, LLC. doing business as "The HCI Group", which is focused in the healthcare space and specializes in the implementations of EMR (Electronic Medical Records) software for an upfront consideration in cash of USD 89.50 Million and contingent consideration of a maximum of USD 130.50 Million payable in calendar years 2017, 2018 and 2019 for acquiring the remaining stake of 15.30% on the basis of achievement of agreed performance milestones.
- Total assets of Rs. 16903 lakhs (1% of total assets) as at March 31, 2017, total revenue of Rs. 8015 lakhs (1% of quarter revenues) and Rs. 31292 lakhs (1% of yearly revenues) for the quarter and year ended March 31, 2017 respectively and total loss after tax of Rs. 2054 lakhs (3% of quarter profit after tax) and total loss after tax of Rs. 3270 lakhs (1% of yearly profit after tax) and Total comprehensive loss of Rs. 1630 lakhs (3% of quarterly Total comprehensive income) and Rs. 2808 lakhs (1% of yearly Total comprehensive income) for the quarter and year ended March 31, 2017, respectively, as considered in the consolidated financial results have not been audited.
- The Group has prepared its first Indian Accounting Standards (Ind AS) compliant Consolidated Financial Statements for the periods commencing April 1, 2016 with restated comparative figures for the year ended March 31, 2016 in compliance with Ind AS. The Group had prepared these financial statements in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013. Accordingly, the Balance Sheet, in line with Ind AS transitional provisions, has been prepared as at April 1, 2015, the date of company's transition to Ind AS. In accordance with Ind AS 101 First-time Adoption of Ind AS, the Group has presented below a reconciliation of net profit as presented in accordance with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to total comprehensive income for the quarter and year ended March 31, 2016 and reconciliation of shareholders funds as per the previous GAAP to equity under Ind AS as at March 31, 2016 and April 1, 2015

Particulars	Note No.	Rs.in Lakhs	
		Quarter ended March 31, 2016	Year ended March 31, 2016
<b>Net Profit as per Previous GAAP attributable to:</b>			
Owners of the company		89,708	311,804
Non Controlling Interest		2,353	4,132
<b>Net Profit as per Previous GAAP</b>		<b>92,061</b>	<b>315,936</b>
<b>Adjustments</b>			
Impact of business combinations		(535)	(535)
Adjustments w.r.t. entities under common control		-	(5,745)
Impact of stock compensation cost	iii	(858)	(3,269)
Provision reversal of non-current investment	ii	-	(2,435)
Actuarial gain on defined benefit liability recognised in Other Comprehensive income	vii	54	(643)
Gain / (loss) on fair valuation of current investments (mutual funds)	v	170	230
Exchange difference on translation of financial statement of foreign operations	vii	(914)	(3,813)
Tax Adjustments	vi	(2,353)	2,997
Others		(11)	(62)
<b>Net Profit as per Ind AS</b>		<b>87,614</b>	<b>302,661</b>
Other Comprehensive Income	vii	10,325	23,681
<b>Total Comprehensive Income as per Ind AS</b>		<b>97,939</b>	<b>326,342</b>
Owners of the company		95,873	322,958
Non Controlling Interest		2,066	3,384

Particulars	Note No.	Rs.in Lakhs	
		As at March 31, 2016	As at April 1, 2015
<b>Balance as per Previous GAAP attributable to:</b>		<b>1,456,967</b>	<b>1,240,898</b>
Tech Mahindra Limited		1,436,772	1,224,890
Non controlling interests		20,195	16,008
<b>Adjustments:</b>			
Adjustments wrt entities under common control		(120,686)	(120,794)
Dividend (including dividend tax)	i	139,781	69,380
Gain/ (Loss) on fair valuation of Goodwill on Consolidation	iv	2,167	(3,669)
Gain on fair valuation of Fixed Assets	iv	2,077	1,488
Tax Adjustment	vi	(2,532)	(6,714)
Gain on fair valuation of current investments (mutual funds)	v	691	464
Gain on fair valuation of non-current investment	ii	320	873
Provision reversal of non-current investment	ii	80	2,514
Impact of Business Combinations		(501)	-
<b>Balance as per Ind AS attributable to:</b>		<b>1,478,364</b>	<b>1,184,440</b>
Tech Mahindra Limited		1,459,091	1,168,610
Non controlling interests		19,273	15,830

**Footnotes to the reconciliation between previous GAAP and Ind AS.**

**i) Reversal of Proposed dividend and tax thereon:**

In accordance with Ind AS 10 "Events after the Reporting Period", provision for proposed final dividend and tax on dividend has been derecognized by the Group, as dividend was declared by the company and approved by shareholders in the annual general meeting which was after the end of the reporting period. This has resulted in increase in equity by Rs. 139781 Lakhs as at March 31, 2016 and Rs. 69380 Lakhs as at April 1, 2015.

**ii) Fair Value Through Other Comprehensive Income (FVTOCI) Financial assets:**

Under the Previous GAAP, the Group accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments (other than subsidiaries and associates) as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value and accordingly, the difference (gain) has been recognised in equity amounting to Rs. 320 Lakhs and Rs. 873 Lakhs as at March 31, 2016 and April 1, 2015 respectively, and total comprehensive income has been decreased by Rs. 2780 Lakhs and Rs. 546 Lakhs for quarter and year ended March 31, 2016 respectively.

The Group, under the Previous GAAP had made provision for diminution in value of quoted investments in earlier years, now under Ind AS since investments are accounted at fair value, provision for diminution, no longer required has been reversed by the Group and corresponding effect has been given by crediting equity by Rs. 80 Lakhs as at March 31, 2016 and Rs. 2514 Lakhs as at April 1, 2015. During the year ended March 31, 2016, Group had already reversed the provision for diminution in value of quoted investment of Rs. 2435 Lakhs in Previous GAAP financials and on reversal on transition date, the profit under Ind AS has been decreased by Rs. 2435 Lakhs for the year ended March 31, 2016.

**iii) Share based payments:**

Company's stock option cost applicable to employees of group companies, net of reimbursements, have been considered as capital contribution.

Under the Previous GAAP, the Group recognised compensation cost based on intrinsic value method. Ind AS 102 "Share-based Payment", requires compensation cost to be recognised on fair value as at grant date to be determined using an appropriate pricing model over the vesting period. Accordingly, the profit decreased (excess of cost determined on fair value basis over intrinsic value basis) by Rs. 858 Lakhs and Rs. 3268 Lakhs for the quarter and year ended March 31, 2016 respectively.

**iv) Foreign currency translation:**

In accordance with Ind AS 21, The Effects of Changes in Foreign Exchange Rates, Goodwill arising on acquisition of foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation. Thus they shall be expressed in the functional currency of the foreign operation and shall be translated at the closing rate in accordance with the standard. In the case of the Group, Goodwill arising on acquisition of foreign operation has been translated at closing rate and corresponding effect has been given in equity amounting to gain of Rs. 2167 Lakhs as at March 31, 2016 and loss of Rs. 3669 Lakhs as at April 1, 2015 respectively. Other comprehensive income has been increased by Rs. 921 Lakhs and Rs. 5836 Lakhs for the quarter and year ended March 31, 2016.

In Previous GAAP, assets of integral foreign operations were carried at historical exchange rates and non-integral foreign operations at closing exchange rates. Now in accordance with Ind AS 21, Property, Plant and Equipment of integral foreign operations has been restated at closing rate and corresponding effect (gain) has been given in equity amounting to Rs. 2077 Lakhs and Rs. 1488 Lakhs as at March 31, 2016 and April 1, 2015 respectively, and other comprehensive income has been increased by Rs. 45 Lakhs and Rs. 600 Lakhs for the quarter and year ended March 31, 2016.

**v) Fair Value Through profit or loss in respect of Financial assets:**

Under the Previous GAAP, the Group accounted for its current investment in mutual funds on the basis of cost or net realizable value, whichever is lower. Ind AS requires the same to be measured at fair value. Accordingly, current investment in mutual funds have been measured at fair value and accordingly equity have been increased by Rs. 691 Lakhs and Rs. 464 Lakhs as at March 31, 2016 and April 1, 2015 respectively, and profit has increased by Rs. 170 Lakhs and Rs. 230 Lakhs for the quarter and year ended March 31, 2016 respectively.

**vi) Deferred tax**

Previous GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

These adjustments have resulted in decrease in equity by Rs. 2532 Lakhs and Rs. 6714 Lakhs as at March 31, 2016 and April 1, 2015 respectively, and profit has been decreased by Rs. 2353 Lakhs for the quarter ended March 31, 2016 and increased by Rs. 2997 Lakhs for the year ended March 31, 2016 respectively.

Tax adjustments are primarily on account of deferred taxes liability recognised on undistributed earnings of subsidiaries.

**vii) Other Comprehensive income:**

Under the Previous GAAP, the Group has not presented other comprehensive income (OCI) separately. Now, under Ind AS, actuarial gain/loss on defined benefit liability, effective portion of cash flow hedges and currency translation reserve has been shown separately and routed through OCI.

Additional information on standalone financial results is as follows:

Particulars	Rs.in Lakhs		
	Quarter ended March 31, 2017	Year ended March 31, 2017	Quarter ended March 31, 2016
Revenue from Operations	592,358	2,316,539	546,681
Profit before tax	77,108	387,873	88,380
Profit after tax	58,574	304,733	76,327

**9** The above is an extract of the detailed format of the standalone and consolidated Financial Results for the quarter and year ended March 31, 2017, filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the standalone and consolidated Financial Results for the quarter and year ended March 31, 2017 are available on the Stock Exchange websites. ([www.nseindia.com](http://www.nseindia.com)/[www.bseindia.com](http://www.bseindia.com)) and Company's website [www.techmahindra.com](http://www.techmahindra.com)).

**10** The Auditors have issued an unqualified opinion on the Standalone and Consolidated results and have invited attention to certain matters (emphasis of matters). The emphasis of matters is on account of the financial irregularities committed by the promoters of erstwhile Satyam Computer Services Limited (SCSL) before it was acquired by the Company and certain other related matters. SCSL was amalgamated with the Company in June 2013. The Emphasis of Matters and the Management Response on the same are available as part of the detailed Regulation 33 formats posted on the Stock Exchange websites ([www.nseindia.com](http://www.nseindia.com)/[www.bseindia.com](http://www.bseindia.com)) and Company's website ([www.techmahindra.com](http://www.techmahindra.com)).

**Date : May 26, 2017**  
**Place : Mumbai**

**C. P. Gurnani**  
**Managing Director & CEO**