

Tech Mahindra Limited

Registered Office : Gateway Building, Apollo Bunder, Mumbai 400 001. Website : www.techmahindra.com.

Email : investor.relations@techmahindra.com. CIN : L64200MH1986PLC041370

Standalone Audited Financial Results for the quarter and year ended March 31, 2019

	Particulars	Rs. in Million				
		Quarter ended			Year ended	
		March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018
1	Revenue from Operations	70,646	69,897	60,261	272,196	236,922
2	Other Income	2,923	814	4,023	9,601	17,280
3	Total Revenue (1 + 2)	73,569	70,711	64,284	281,797	254,202
4	EXPENSES					
	Employee Benefit Expenses	22,029	21,547	20,261	84,440	81,240
	Subcontracting Expenses	26,330	25,488	22,573	101,207	90,257
	Finance Costs	103	129	167	431	708
	Depreciation and Amortisation Expense	1,516	1,621	1,798	6,587	6,563
	Other Expenses	10,676	8,078	6,590	34,859	26,432
	Total Expenses	60,654	56,863	51,389	227,524	205,200
5	Profit before Tax (3 - 4)	12,915	13,848	12,895	54,273	49,002
6	Tax Expense					
	Current Tax	3,110	1,877	2,771	10,652	9,308
	Deferred Tax	(6)	442	346	(183)	(245)
	Total Tax Expense	3,104	2,319	3,117	10,469	9,063
7	Profit after tax (5 - 6)	9,811	11,529	9,778	43,804	39,939
8	Other Comprehensive Income	982	4,176	(1,943)	1,670	(4,196)
9	Total Comprehensive Income (7 + 8)	10,793	15,705	7,835	45,474	35,743
10	Paid-up Equity Share Capital (Face Value of Share Rs. 5)	4,917	4,905	4,897	4,917	4,897
11	Total Reserves				201,557	190,451
12	Earnings Per Equity Share (Rs)					
	(EPS for the quarter ended periods is not annualised)					
	- Basic	9.98	11.72	9.99	44.58	40.79
	- Diluted	9.84	11.64	9.91	43.93	40.48



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Audited Standalone Balance Sheet

Particulars	Rs. in Million	
	As at March 31, 2019	As at March 31, 2018
Non-Current Assets		
(a) Property, Plant and Equipment	19,019	22,380
(b) Capital Work-in-Progress	2,713	2,354
(c) Investment Property	1,141	1,289
(d) Intangible Assets	7,695	8,636
(e) Financial Assets		
(i) Investments	66,287	68,650
(ii) Trade Receivables	-	-
(iii) Other Financial Assets	4,559	2,135
(f) Advance Income Taxes (Net of provisions)	17,093	12,573
(g) Deferred Tax Assets (Net)	2,182	2,753
(h) Other Non-Current Assets	3,538	3,817
Total Non - Current Assets	124,227	124,587
Current Assets		
(a) Financial Assets		
(i) Investments	63,320	33,931
(ii) Trade Receivables	59,633	51,010
(iii) Cash and Cash Equivalents	9,581	8,892
(iv) Other Balances with Banks	2,504	10,411
(v) Loans	68	2,009
(vi) Other Financial Assets	25,056	22,352
(b) Other Current Assets	19,007	15,112
Total Current Assets	179,169	143,717
TOTAL ASSETS	303,396	268,304
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	4,917	4,897
(b) Other Equity	201,557	190,451
Total Equity	206,474	195,348
Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	43	1,450
(ii) Other Financial Liabilities	2,032	4,612
(b) Provisions	4,100	3,954
Total Non - Current Liabilities	6,175	10,016
Current liabilities		
(a) Financial Liabilities		
(i) Trade Payables		
(1) Dues of micro enterprises and small enterprises	18	22
(2) Dues of creditors other than micro enterprises and small enterprises	28,862	20,657
(ii) Other Financial Liabilities	27,155	10,490
(b) Other Current Liabilities	12,110	10,240
(c) Provisions	1,997	2,390
(d) Current Tax Liabilities (Net)	8,301	6,837
Total Current Liabilities	78,443	50,636
Suspense Account (Net)	12,304	12,304
Total Equity and Liabilities and Suspense Account	303,396	268,304

Notes :

- The quarterly and yearly financial results have been reviewed by the Audit Committee and taken on record by the Board of Directors in its meeting held on May 21, 2019.
- The Board of Directors has recommended a final dividend of Rs.14/- per share on face value of Rs. 5/- (280%).
- The Board of Directors of Tech Mahindra Limited ('the Company') at its meeting held on February 21, 2019 approved a proposal to buyback upto 20,585,000 equity shares of the Company for an aggregate amount not exceeding Rs.19,556 Million being 2.09% of the total paid up equity share capital at Rs. 950 per equity share. Letter of Offer was issued to all eligible shareholders holding shares as on March 06, 2019. The period for tendering of shares for buyback was from March 25, 2019 to April 5, 2019. The intimation regarding acceptance or non-acceptance of tendered equity shares to the stock exchange was made on April 12, 2019, the bids were settled and payment was made to shareholders on April 15, 2019. The unaccepted shares were returned to eligible shareholders on April 16, 2019. Pursuant to the issuance of Letter of Offer, the Company has recorded a payable of Rs. 19,556 Million as at March 31, 2019 as contractual financial liability.
- Certain matters relating to erstwhile Satyam Computer Services Limited (erstwhile Satyam):**
Proceedings in relation to 'Alleged Advances':
 Erstwhile Satyam with respect to fraud, erstwhile Satyam received letters from 37 companies seeking confirmation by way of acknowledgement of receipt of certain alleged amounts by the erstwhile Satyam (referred to as 'alleged advances'). These letters were followed by legal notices from them, claiming repayment of the alleged advances aggregating to Rs. 12,304 Million stated to be given as temporary advances but without any evidence in support of the nature of these transactions. The legal notices also claimed damages/compensation @18% per annum from the date of the advances till the date of repayment. The erstwhile Satyam has not acknowledged any liability to any of the 37 companies and has replied to the legal notices stating that the claims are legally untenable.



Tech Mahindra LimitedRegistered Office : Gateway Building, Apollo Bunder, Mumbai 400 001. Website : www.techmahindra.com.Email : investor.relations@techmahindra.com. CIN : L64200MH1986PLC041370**Standalone Audited Financial Results for the quarter and year ended March 31, 2019**

The 37 companies have filed petitions/suits for recovery against the erstwhile Satyam before the City Civil Court, Secunderabad (Court), of which 1 petition has been converted into a suit and the balance 36 petitions are at various stages of pauperism/suit admission. Further, they have filed appeals before the Division Bench of the Hon'ble High Court of Andhra Pradesh, against the Orders of the Hon'ble High Court of Andhra Pradesh and the Hon'ble High Court of Bombay sanctioning the scheme of merger of erstwhile Satyam with the Company w.e.f. April 1, 2011, which are yet to be heard. One of the aforesaid companies has also appealed against the Order rejecting the Petition for winding-up of the erstwhile Satyam. These matters have been combined for hearing.

The Directorate of Enforcement (ED) while investigating the matter under the Prevention of Money Laundering Act, 2002 (PMLA) had directed the erstwhile Satyam not to return the alleged advances until further instructions. In furtherance to the investigation, certain fixed deposits of the Company with certain banks, then aggregating to Rs. 8,220 Million were alleged by ED to be 'proceeds of crime' and were provisionally attached vide Order dated October 18, 2012 by the ED (the Order). The Hon'ble High Court of Judicature at Hyderabad ('the Court') granted stay of the said Order and all proceedings thereto vide its order dated December 11, 2012. Thereafter, the Court, vide its Order dated December 31, 2018 set aside the provisional attachment Order of ED dated October 18, 2012 and directed the banks to release the fixed deposits of the Company. Accordingly, these fixed deposits have been released by the banks.

In view of the aforesaid developments and based on an external legal opinion, the Management believes that the claim by the 37 companies for repayment of the alleged advances, including interest thereon is not legally tenable. Consequently, pending the final outcome of the proceedings, as a matter of prudence, the Company has accounted and disclosed the amount of Rs. 12,304 Million as 'Suspense Account (net)'.

- 5 The Company, pursuant to a scheme of arrangement approved by the Courts, has taken over all assets and liabilities of Sofgen India Private Limited (100% indirect subsidiary) at book values in accordance with the 'pooling of interests' method as per Appendix C of Ind AS 103 'Business Combinations' and comparatives have been restated from the beginning of the previous year i.e. from April 1, 2017.
- 6 Pursuant to Business Transfer Agreement entered during the year, Tech Mahindra Limited acquired certain assets and liabilities from Sofgen UK (100% indirect subsidiary). The transaction has been accounted under the 'pooling of interests' method in accordance with Appendix C of Ind AS 103 'Business Combinations' and comparatives have been restated from the beginning of the previous year i.e. April 1, 2017.
- 7 Effective April 1, 2018, the Company has adopted Ind AS 115 using the cumulative effect method. The standard is applied retrospectively to contracts that are not completed as at the date of initial application and the comparative information is not restated. The effect of adoption of the standard did not have any significant impact on the financial statements of the Company.
- 8 Tax expense for the Quarter Ended ("QE") March 31, 2019 is net of excess provision of Nil of earlier periods, no longer required, written back (QE December 31, 2018: Rs. 1,351 Million; QE March 31, 2018: Rs. 113 Million).
Tax expense for the year ended March 31, 2019 is net of excess provision of Rs. 3,018 Million of earlier periods, no longer required, written back (year ended March 31, 2018: Rs. 1,806 Million).
- 9 Previous period's figures have been regrouped wherever necessary.

10 Emphasis of Matter**The Emphasis of Matter in the Auditor's Report pertains to the following:**

With relation to Note 4 in respect of certain matters relating to erstwhile Satyam Computer Services Limited (erstwhile Satyam), amalgamated with the Company with effect from April 1, 2011 which is discussed below:

The Company's management, on the basis of current legal status and external legal opinion, has concluded that claims made by 37 companies in the City Civil Court for alleged advances amounting to Rs. 12,304 Million made by these companies to erstwhile Satyam and presented separately under 'Suspense account (net)', will not sustain on ultimate resolution by the Court.

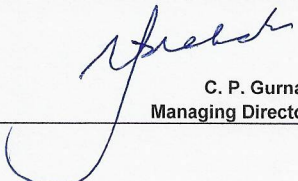
11 Management response to Emphasis of Matter:

With regard to the Emphasis of Matter stated in Note 10 above, there are no additional developments on Emphasis of Matter mentioned in Note 4 above which require adjustments to the financial results.

- 12 The figures for the quarter ended March 31, 2019 and the corresponding quarter ended in the previous year as reported in these standalone financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year, as adjusted to give effect to the scheme of merger explained in Note 5 and Note 6.
- 13 The 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).

Date : May 21, 2019

Place : Mumbai


C. P. Gurnani
Managing Director & CEO