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

Registered Office : Gateway Building, Apollo Bunder, Mumbai 400 001. Website : www.techmahindra.com.
Email : investor.relations@techmahindra.com. CIN : L64200MH1986PLC041370

Consolidated Audited Financial Results for the quarter and year ended March 31, 2017

Rs.in Lakhs

	Particulars	Quarter ended			Year ended	
		March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
		Refer Note No. 16		Refer Note No. 16		
1	Revenue from Operations	749,500	755,750	688,373	2,914,084	2,649,423
2	Other Income	23,789	15,518	15,530	77,756	43,937
3	Total Revenue (1 + 2)	773,289	771,268	703,903	2,991,840	2,693,360
4	EXPENSES					
	Employee Benefits Expense	399,235	393,202	362,297	1,545,394	1,394,748
	Subcontracting Expenses	97,025	89,464	83,948	361,117	357,268
	Finance Costs	3,179	3,488	3,344	12,859	9,701
	Depreciation and Amortisation Expense	28,346	24,797	21,731	97,806	75,892
	Other Expenses	163,373	154,437	127,032	589,130	470,340
	Total Expenses	691,158	665,388	598,352	2,606,306	2,307,949
5	Profit before share in profit/(loss) of associates and tax (3-4)	82,131	105,880	105,551	385,534	385,411
6	Share of Profit / (Loss) of Associates	0	15	128	(234)	263
7	Profit before Tax (5 + 6)	82,131	105,895	105,679	385,300	385,674
8	Tax Expense					
	Current Tax	18,088	20,572	23,940	96,981	103,422
	Deferred Tax	5,074	837	(5,875)	3,232	(20,409)
	Total Tax Expense	23,162	21,409	18,065	100,213	83,013
9	Profit after tax (7 - 8)	58,969	84,486	87,614	285,087	302,661
10	Other Comprehensive Income	1,704	1,584	10,325	8,334	23,681
11	Total Comprehensive Income (9 + 10)	60,673	86,070	97,939	293,421	326,342
12	Total Comprehensive Income for the year / quarter attributable to:					
	Owners of the Company	60,193	88,298	95,873	290,967	322,958
	Non Controlling Interests	480	(2,228)	2,066	2,454	3,384
13	Paid-up Equity Share Capital (Face Value of Share Rs. 5)	43,877	43,826	43,554	43,877	43,554
14	Total Reserves				1,599,842	1,415,537
15	Earnings Per Equity Share (Rs) (not annualised)					
	Basic	6.72	9.79	9.86	32.14	34.51
	Diluted	6.61	9.63	9.63	31.64	33.71

Standalone Information (Audited)

Rs.in Lakhs

Particulars	Quarter ended			Year ended	
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
Revenue from Operations	592,358	591,286	546,681	2,316,539	2,096,981
Profit before tax	77,108	102,498	88,380	387,873	387,629
Profit after tax	58,574	85,189	76,327	304,733	317,277

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			Year ended	
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
Segment Revenue					
a) IT	697,576	703,116	639,973	2,712,365	2,452,473
b) BPO	51,924	52,634	48,400	201,719	196,950
Total	**749,500**	**755,750**	**688,373**	**2,914,084**	**2,649,423**
Less: Inter Segment Revenue	-	-	-	-	-
Net Sales / Income from operations	**749,500**	**755,750**	**688,373**	**2,914,084**	**2,649,423**
Segment Profit before tax, interest and depreciation					
a) IT	116,161	144,934	144,084	526,962	531,733
b) BPO	16,654	15,642	13,829	60,014	58,961
Total	**132,815**	**160,576**	**157,913**	**586,976**	**590,694**
Less:					
(i) Finance costs	3,179	3,488	3,344	12,859	9,704
(ii) Other un-allocable expenditure Net off un-allocable income	47,505	51,208	49,018	188,583	195,579
Profit before tax	**82,131**	**105,880**	**105,551**	**385,534**	**385,411**

Rs.in Lakhs

Statement of segment Assets and Liabilities	March 31, 2017	December 31, 2016	March 31, 2016
Segment Assets			
Trade and Other Receivables			
IT	708,335	829,596	762,453
BPO	42,956	48,118	41,161
Total Trade Receivables	**751,291**	**877,714**	**803,614**
Unallocable Assets	1,855,364	1,652,230	1,448,851
TOTAL ASSETS	**2,606,654**	**2,529,944**	**2,252,465**
Segment Liabilities			
Unearned Revenue			
IT	30,125	20,378	15,239
BPO	1,309	4,979	1,284
Total Unearned Revenue	**31,434**	**25,357**	**16,523**
Advance from Customers			
IT	25,287	28,263	9,221
BPO	-	-	-
Total Advance from Customers	**25,287**	**28,263**	**9,221**
Unallocable Liabilities	859,802	858,424	748,357
TOTAL LIABILITIES	**916,523**	**912,045**	**774,101**

Segmental Capital Employed

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

Notes :

1 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.

2 The Board of Directors has recommended a final dividend of Rs. 9/- per share on par value of Rs. 5/- (180%).

3 **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 violations of Companies Act, 1956, which have since been compounded. On December 24, 2009, SFIO filed its report under Section 235 of the Companies Act, 1956 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 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 Companies Act, 1956 unauthorised borrowings, excess contributions to Satyam Foundation, loan to ASOP Trust (Satyam Associates Trust) without prior Board approval under the Companies Act, 1956 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.

On May 22, 2013, the ED had issued a show-cause notice to the erstwhile Satyam for contravention of provisions of the Foreign Exchange Management Act, 1999 (FEMA) for alleged non-repatriation of American Depository Receipts (ADR) proceeds aggregating USD 39.2 Million. The Company has responded to the ED's show-cause notice on March 28, 2014 and has not received any further communication in this regard.

The ED had also issued a show-cause notice to the erstwhile Satyam on April 28, 2011 for contravention of the provisions of FEMA and the Foreign Exchange Management (Realisation, Repatriation and Surrender of Foreign Exchange) Regulations, 2000, in respect of the non-realisation and repatriation of export proceeds to the extent of foreign exchange equivalent to Rs. 5060 Lakhs for invoices raised during the period July 1997 to December 31, 2002. The erstwhile Satyam has responded to the show-cause notice and has not received any further communication in this regard.

As per the assessment of the Management, based on the forensic investigation and the information available, 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 regulators/agencies and no new information has come to the Management's notice which requires adjustments to the financial statements. Further, as per above, the investigations have been completed and no new claims have been received which need any further evaluation/adjustment/disclosure in the books of account.

Proceedings in relation to 'Alleged Advances':

Pursuant to the aforesaid letter dated January 7, 2009, the 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 these companies dated August 4/5, 2009, claiming repayment of the alleged advances aggregating Rs. 123040 Lakhs stated to be given as temporary advances but without any evidence in support of the nature of these transactions. This is also borne out in the internal forensic investigation. 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.

The 37 companies have 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, the pauper petition was converted into a suit which is pending disposal. The petitions filed by remaining 36 companies are before the Court, at various stages of rejection of pauperism/trial of pauperism/inquiry. In one petition, the delay in submission of the petition has been condoned by the Court and the Company has obtained an interim stay Order from the Honorable High Court of Andhra Pradesh, which has remanded the matter to the lower Court directing to consider the application afresh. Lower Court upon hearing the application has condoned the delay in re-submission of pauper petition. The Company has challenged the said order in Revision before the High Court of Andhra Pradesh, which is pending hearing. In another development, Company has also filed a Revision against the orders of the Lower Court in the application filed by the Company to recall the Order in numbering the pauper petition as Original Petition. Honorable High Court has been pleased to stay the proceedings until further orders.

The Honorable High Court in its Order approving the merger of the erstwhile Satyam with the Company, further held that in the absence of Board resolutions and documents evidencing acceptance of unsecured loans, i.e. alleged advances, 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 disclosing them as creditors and in disclosing such amounts as 'Amounts pending investigation suspense account (net)' in the financial statements. The Honorable High Court held, inter-alia, that the contention of the 37 companies that Satyam is retaining the money, i.e. the alleged advances, 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 said 37 companies have filed appeals before the Division Bench of the Honorable High Court of Andhra Pradesh, against the Orders of the Honorable High Court of Andhra Pradesh and the Honorable High Court of Judicature at Bombay sanctioning the scheme of merger of Satyam Computer Services Limited (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. 82200 Lakhs 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 Honorable High Court of Andhra Pradesh (the Court) had, pending further Orders, granted stay of the said Order and all proceedings thereto vide its Order dated December 11, 2012. The ED had challenged this interim Order passed by the Single Judge before the Division Bench of the Court. Vide order dated December 31, 2014, the Honorable High Court upon hearing the matter, has dismissed the Appeal filed by ED and affirmed the Stay granted by the Single Judge. Consequently, out of the aforesaid fixed deposits which were attached, fixed deposits aggregating Rs 35700 Lakhs have been redeemed. Certain banks have not honored the redemption claim and the Company is pursuing the matter legally.

A criminal case was filed by the ED before the Honorable XXI Additional Chief Metropolitan Magistrate, Hyderabad cum Special Sessions Court (Trial Court) under Section 3 of the PMLA against erstwhile Satyam along with 212 accused persons. The Company had challenged the above prosecution before the Honorable High Court of Andhra Pradesh which quashed the criminal complaint against the Company vide its Order dated December 22, 2014. ED had preferred an appeal before the Divisional Bench of the AP High Court challenging the order of quashing the prosecution and the Division Bench of the High Court passed an interim Order allowing the hearing for framing of 'Charges'. A Special Leave Petition was filed by the Company before the Honorable Supreme Court of the India, which, vide its Order dated May 11, 2015, requested the Hon'ble AP High Court to dispose off the Writ Appeal on its merits and preferably within a period of four months and further stayed the proceeding before the Trial Court. By an order dated March 30, 2017, the Honorable Division Bench of AP High Court has dismissed the Appeal filed by ED, thereby confirming the order of quashing prosecution against the Company.

In view of the aforesaid developments, which occurred and crystallised during the previous year and also based on an independent 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, at this point of time, the Company has accounted and disclosed the amount of Rs. 123040 Lakhs as 'Suspense Account (net)', provided earlier. Although remote, in the event that these cases are decided against the Company, there would be no effect on the financial results or financial position of the company.

4 **Satyam Venture Engineering Services Private Limited (SVES)**

Accounting for sales commission

During the financial year 2011-12, the Board of SVES re-assessed the need to accrue sales commission in its books and based on such re-assessment took the view, when the financial statements of SVES for the year ended March 31, 2012 was tabled for approval, that the accrual of sales commission from FY 05-06 to FY 10-11 of Rs. 3590 Lakhs be written back as other income in the Statement of Profit and Loss and the sales commission for the period from April 2011- December 2011 be reversed.

However, as a prudent measure, the Board directed that SVES to provide an amount of Rs. 5290 Lakhs as a provision for contingency, covering the period from FY 05-06 to FY 11-12 which in its opinion would be adequate to cover any possible outflow that may arise in respect of the above aforesaid matter and adjustments to the financial statements if any, arising out of dispute between joint venture partners to be made on final disposal of legal proceedings.

Taking into accounts subsequent legal developments and an order of the Honorable High Court of Andhra Pradesh dated August 23, 2013 in the matter directing all parties to maintain status quo, the Board of SVES did not make any provision for contingency in the current period ended March 31, 2017 towards sales commission but instead disclosed an amount of Rs. 11220 (March 31, 2016 : Rs 7800 Lakhs) as contingent liability to cover any possible charge that may arise in respect of the above said matter, in the financial statements for the year ended March 31, 2017 and by way of abundant caution considering the issues before judicial authorities, notwithstanding the Board's view that there is no need to accrue sales commission.

Preparation of financial statements

At the Annual General Meetings of the SVES held on October 29, 2012, September 10, 2013, September 22, 2014, September 07, 2015 and July 29, 2016 one of the shareholders abstained from voting on the resolution for adoption of audited financial statements as at and for the year ended March 31, 2012, March 31, 2013, March 31, 2014, March 31, 2015 and March 31, 2016 respectively. In terms of Article 66 of the Articles of Association of SVES, the adoption of audited financial statements requires unanimous consent of both the shareholders of SVES. Therefore, the said financials have not been approved by the shareholders.

The financial statements as at and for the year ended March 31, 2017 have been drawn up incorporating the opening balances based on above said financial statements which have not been adopted by the Shareholders. Adjustments required, if any, will be made in accounts as and when determined.

5 Other income for the year ended March 31, 2016 includes Rs. 3185 Lakhs write back of an estimated excess provision for contingencies provided in an earlier year by erstwhile Satyam, based on actual receipt of VAT refund from the Joint Commissioner of Commercial Tax, Bangalore for Karnataka Value Added Tax and Central Sales Tax.

6 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.

7 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.

8 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).

9 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.

10 Current tax expense for the quarter and year ended March 31, 2017 is net of excess provision of Rs. 709 Lakhs and Rs. 7686 lakhs respectively (quarter and year ended March 31, 2016: Rs. 1005 lakhs and Rs. 4590 lakhs respectively) of previous periods written back, no longer required.

11 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.

12 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

Rs.in Lakhs

Particulars	**Note No.**	**Quarter ended March 31, 2016**	**Year ended March 31, 2016**
Net Profit as per Previous GAAP attributable to:			
Owners of the company		89,708	311,804
Non Controlling Interest		2,353	4,132
Net Profit as per Previous GAAP		**92,061**	**315,936**
Adjustments			
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	iv & vii	(914)	(3,813)
Tax Adjustments	vi	(2,353)	2,997
Others		(11)	(62)
Net Profit as per Ind AS		**87,614**	**302,661**
Other Comprehensive Income	vii	10,325	23,681
Total Comprehensive Income as per Ind AS		**97,939**	**326,342**
Owners of the company		95,873	322,958
Non Controlling Interest		2,066	3,384

Reconciliation of Equity

Particulars	**Note No.**	**As at March 31, 2016**	**As at April 1, 2015**
Balance as per Previous GAAP attributable to		**1,456,967**	**1,240,898**
Tech Mahindra Limited		1,436,772	1,224,890
Non-controlling interests		20,195	16,008
Adjustments:			
Adjustments w.r.t. 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)	-
Balance as per Ind AS attributable to		**1,478,364**	**1,184,440**
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.

Tech Mahindra Limited

Registered Office : Gateway Building, Apollo Bunder, Mumbai 400 001. Website : www.techmahindra.com.
Email : investor.relations@techmahindra.com. CIN : L64200MH1986PLC041370

Statement of Assets and Liabilities (Consolidated - Audited)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	307,174	237,951	205,766
(b) Capital Work-in-Progress	37,286	62,943	56,774
(c) Investment Property	10,107	5,461	5,560
(d) Goodwill	262,791	183,250	169,553
(e) Intangible Assets	65,941	9,725	9,558
(f) Financial Assets			
(i) Investments	23,081	11,774	11,440
(ii) Trade Receivables	1,556	-	-
(iii) Loans	91	-	-
(iv) Other Financial Assets	43,291	29,096	31,994
(g) Advance Income Taxes (Net of provisions)	131,353	106,792	79,432
(h) Deferred Tax Assets (Net)	26,744	53,220	32,298
(i) Other Non-Current Assets	64,585	53,646	44,979
Total Non - Current Assets	**974,000**	**753,858**	**647,354**
Current Assets			
(a) Inventories	6,106	4,034	2,455
(b) Financial Assets			
(i) Investments	216,470	112,480	76,418
(ii) Trade Receivables	533,772	577,049	520,590
(iii) Cash and Cash Equivalents	200,127	239,778	120,872
(iv) Other Balances with Banks	121,733	162,017	120,015
(v) Loans	42,860	-	-
(v) Other Financial Assets	293,220	244,550	209,794
(c) Other Current Assets	215,714	158,699	182,784
	1,630,002	**1,498,607**	**1,232,928**
Assets held-for-sale	2,652	-	-
Total Current Assets	**1,632,654**	**1,498,607**	**1,232,928**
TOTAL ASSETS	**2,606,654**	**2,252,465**	**1,880,282**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	43,877	43,554	43,201
(b) Other Equity	1,599,842	1,415,537	1,125,409
Equity Attributable to Owners of the Company	1,643,719	1,459,091	1,168,610
Non controlling Interest	46,412	19,273	15,830
Total Equity	**1,690,131**	**1,478,364**	**1,184,440**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	38,527	19,664	4,596
(ii) Other Financial Liabilities	49,650	14,390	14,578
(b) Provisions	62,010	53,105	41,014
(c) Deferred tax liabilities (Net)	954	-	-
(c) Other Non-Current Liabilities	3,051	344	240
Total Non - Current Liabilities	**154,192**	**87,503**	**60,428**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	83,420	80,547	62,860
(ii) Trade Payables	231,170	227,578	205,884
(iii) Other Financial Liabilities	42,297	26,969	27,024
(b) Other Current Liabilities	161,244	123,842	105,777
(c) Provisions	38,704	35,467	39,885
(d) Current Tax Liabilities (Net)	82,456	69,155	70,944
Total Current Liabilities	**639,291**	**563,558**	**512,374**
Suspense Account (Net)	123,040	123,040	123,040
TOTAL EQUITY AND LIABILITIES	**2,606,654**	**2,252,465**	**1,880,282**

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

14 Emphasis of Matters

The Emphasis of Matters in the Auditor's Report pertains to the following:

(i) Note 3 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 are discussed below:

Certain non-compliances and breaches of various laws and regulations by the erstwhile Satyam under the former Management (prior to Government nominated Board) identified by the various agencies have been responded to/appropriately addressed in earlier years and no further communication has been received by the Company on these matters and with the passage of time, the Company does not expect any further proceedings in this regard.

The Company’s management on the basis of current legal status and external legal opinion, as more fully described in note 3, has concluded that (i) claims made by 37 companies in the City Civil Court for alleged advances amounting to Rs. 123040 Lakhs made by these companies to erstwhile Satyam, and presented separately under ‘Suspense account (net) and (ii) the claims to these advances filed by Enforcement Directorate under the Prevention of Money Laundering Act in the High Court of Andhra Pradesh will not sustain on ultimate resolution by the respective Courts as explained in the note.

(ii) Note 4 in respect of one of the subsidiary of the Company whose financial statements/financial information reflect total assets of Rs. 24378 lakhs as at March 31, 2017, total revenues of Rs. 9116 Lakhs and Rs 35530 lakhs for the quarter and year ended March 31, 2017 repsectively, profit after tax of Rs. 272 Lakhs and Rs 4360 lakhs for the quarter and year ended March 31, 2017 respectively and Total comprehensive income of Rs. Rs. 288 Lakhs and Rs 4310 lakhs for the quarter and year ended March 31, 2017 respectively, as considered in the consolidated financial results, the other auditors have drawn attention to the possible charge that may arise in respect of the on-going dispute, which is currently sub judice, between the promoters of the subsidiary on various issues relating to the shareholders agreement, the outcome of which is not determinable at this stage.

Further, the auditors have drawn attention to the fact that the annual financial statements for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 have not been adopted by the members of that subsidiary in their respective annual general meetings in the absence of unanimous consent of both the shareholders in terms of the Articles of Association of the subsidiary company. The financial statements as at and for the year ended March 31, 2017 have been drawn up incorporating the opening balances based on the above mentioned financial statements which have not been adopted by the shareholders of the subsidiary company. Adjustments to the opening balances, if any, will be made in the financial statements as and when determined.

15 Management response to Emphasis of Matters:

With regard to the emphasis of matters stated in Note 14 above, there are no additional developments on Emphasis of Matters mentioned in Note 3 and 4 above which require adjustments to the financial statements.

16 Figures of the quarter ended March 31, 2017 and March 31, 2016 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 respective financial year.

17 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.

Date : May 26, 2017	**C. P. Gurnani**
Place : Mumbai	**Managing Director & CEO**