



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

Particulars	Quarter ended		Year ended	
	June 30, 2014	March 31, 2014 (Revised)	June 30, 2013	March 31, 2014
A. PARTICULARS OF SHAREHOLDING (Without considering the consideration on amalgamation pending allotment at June 30, 2013)				
1 Public Shareholding	149651436 63.85%	148735908 63.71%	68033486 52.83%	148735908 63.71%
2 Promoters and promoter group Shareholding	-	-	-	-
a) Paid-up/encumbered	-	-	-	-
- Number of shares	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
b) Non-encumbered	-	-	-	-
- Number of shares	84726978 100.00%	84736978 100.00%	60736978 100.00%	84736978 100.00%
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	36.15%	36.29%	47.17%	36.29%
- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-

Particulars	3 months ended 30-June-2014		
	March 31, 2014	June 30, 2013	March 31, 2014
B. INVESTORS COMPLAINTS			
Received during the quarter	0	26	26
Disposed of during the quarter	0	26	0
Remaining unresolved at the end of the quarter	0	0	0

Particulars	Quarter ended		Rs. in Lakhs	
	June 30, 2014	March 31, 2014	June 30, 2013	March 31, 2014
Stand-Alone Information (Audited)				
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	59,897	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.

Particulars	Quarter ended		Rs. in Lakhs	
	June 30, 2014	March 31, 2014	June 30, 2013	March 31, 2014
Segment wise Revenue, Results and Capital Employed				
Segment Revenue				
a) IT	4,68,147	4,57,995	3,66,274	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) Depreciation and amortisation	49,267	64,204	52,266	2,00,000
Profit before tax	86,254	83,246	64,210	3,01,472
Segmental Capital Employed				
Segmentation 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 (Logisoft), the wholly owned subsidiaries of the Company, and Sanyam Computer Services Limited ("Sanyam") in associate of the Company (through Venturbay) and C&S System Technologies Private Limited (C&S) a wholly owned subsidiary of erstwhile Sanyam, 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 Sanyam, Venturbay, CanvaasM, 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 Sanyam, aggregating 103485396 equity shares.

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

As the other amalgamating companies i.e. Venturbay, Logisoft, CanvaasM and C&S were wholly owned subsidiaries of the Company / Sanyam, 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.

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 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 Sanyam. 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 Sanyam, held inter-alia, in its order approving the merger of the erstwhile Sanyam with the Company, that the contention of the 37 companies that Sanyam is retaining the money of the "creditors" of erstwhile Sanyam is untenable and that the money of the creditors of erstwhile Sanyam can be considered only if the genuineness of the debt is proved beyond doubt which is not 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 Sanyam, the new management of the erstwhile Sanyam is justified in not crediting the amounts advanced 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 Sanyam to furnish details with regard to the alleged advances and has also directed it not to act, the alleged advances until further orders are received from the ED. In this regard, the erstwhile Sanyam was served with a provisional attachment order dated October 18, 2012 and by virtue of which the erstwhile Sanyam was prohibited from making any payment or disbursement of money to or for the benefit of the erstwhile Sanyam (the "Order"). This attachment order was issued for a period of 180 days. This attachment order was extended for another 180 days by the ED on March 15, 2013. The ED also issued a writ of Habeas Corpus (the "Writ") consequent to the charge sheets filed by the CBI against the erstwhile promoters of erstwhile Sanyam 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 Sanyam had challenged the Order in the Honorable High Court of Andhra Pradesh (the "Writ"). The Honorable High Court of Andhra Pradesh 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 on June 3, 2013 to direct the bank with which the erstwhile Sanyam had bank accounts to hold, not to allow the erstwhile Sanyam to redeem/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 proposing them as unattached. The Company strongly believes that the said proceedings are unfounded and the same should be quashed. The Company has filed a petition 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 Sanyam'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 amount would be treated as "Amounts pending investigation suspense Account (net)", 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 clear.

3.4. Provision for taxation
Erstwhile Sanyam 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 Sanyam and the estimated excess tax provision amounting to Rs. 12000 Lakhs (net of taxes paid) 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 Sanyam 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 Sanyam, based on a re-evaluation of the same by the Management.

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 up Equity Shares of Rs. 2 each of MESL.

The necessary approval from Competition Commission of India (CCI) on January 7, 2014, Approvals from Bombay Stock Exchange and the National Stock Exchange (NSE) 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 381 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). Mahindra Gushk (100 % subsidiary of Tech Mahindra Limited) has entered into a share and asset purchase agreement dated February 26, 2014 for the acquisition of 100% stake in FixStream Networks Inc. (Gushk) for a consideration of EUR 7.30 Million (Rs. 6040 Lakhs) (which includes upfront payment of EUR 0.730 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 (Amwicas) 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. 2388 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 published on the website of the company.

13. The qualification in the Auditor's 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 subject to the jurisdiction of the Honorable High Court of Andhra Pradesh, the Auditor is unable to express an opinion on 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 auditor's qualification in note above, refer to the details in note 3.3.

Date : 31st July, 2014
Place : Mumbai
Vineet Nayyar
Executive Vice Chairman