Tech Mahindra Limited

ANNUAL REPORT
2013-14

Connected World.
Connected Solutions.

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In the year 2012 we launched the ***Power of One*** to emphasize the synergies of coming together as one. One year post the merger the collaboration has been reinstated with an enhanced performance for augmented markets. We continue to reach across to new customers with innovative and superior solutions. With each new development centre and Centre of Excellence, we are building proximity with the customers to provide them with glocalized offerings. We upgrade our capabilities with external and internal methods, so while we continue to add competencies in-house, we also look to collaborate in the area of niche technologies. Our alliances and strategic partners continue their relentless support with joint-to-market offerings. Our constant endeavour is to create benchmarks in solution and thus catapulting us as precursor for connectivity across the globe. Realizing our mission of **Connected World Connected Solutions,** we aim to create multiple technology touchpoints to heighten the customer experience holistically. The 89000+ associates are crusaders of a philosophy where we are not mere providers but partners for our customers in their technological transitions. As we embark on another year, we reflect on the bygone year with a satisfaction of a job well done and we look ahead into the future with a belief of a better tomorrow than today!

CORPORATE INFORMATION

Board of Directors

Mr. Anand G. Mahindra, Chairman

Mr. Vineet Nayyar, Executive Vice Chairman

Mr. C. P. Gurnani, Managing Director

Mr. Anupam Puri

Mr. Bharat N. Doshi

Mr. M. Damodaran

Mrs. M. Rajyalakshmi Rao

Mr. Ravindra Kulkarni

Mr. T. N. Manoharan

Mr. Ulhas N. Yargop

Chief Financial Officer

Mr. Milind Kulkarni

Company Secretary & Chief Compliance Officer

Mr. G. Jayaraman

Registered Office

Gateway Building,
Apollo Bunder,
Mumbai – 400 001.

Corporate Office

Plot No. 1, Phase III,
Rajiv Gandhi Infotech Park,
Hinjewadi, Pune - 411 057.

Bankers

Bank of Baroda

BNP Paribas

Citibank N. A.

HDFC Bank Ltd.

The HSBC Bank Ltd.

ICICI Bank Ltd.

IDBI Bank Ltd.

Kotak Mahindra Bank Ltd.

Standard Chartered Bank

Committees of Directors

Audit Committee

- Mr. T. N. Manoharan, Chairman
- Mr. Anupam Puri
- Mr. M. Damodaran
- Mr. Ulhas N. Yargop

Nomination and Remuneration Committee

- Mr. Ravindra Kulkarni, Chairman
- Mr. Anupam Puri
- Mr. Ulhas N. Yargop

Stakeholders Relationship Committee

- Mr. Ravindra Kulkarni, Chairman
- Mr. Ulhas N. Yargop
- Mr. Vineet Nayyar

Corporate Social Responsibility Committee

- Mr. Vineet Nayyar, Chairman
- Mrs. M. Rajyalakshmi Rao
- Mr. Ulhas N. Yargop

Executive Committee

- Mr. Vineet Nayyar, Chairman
- Mr. Bharat N. Doshi
- Mr. Ulhas N. Yargop

Securities Allotment Committee

- Mr. Vineet Nayyar, Chairman
- Mr. C. P. Gurnani
- Mr. Ulhas N. Yargop

Auditors

Deloitte Haskins & Sells LLP

Chartered Accountants

EXECUTIVE VICE CHAIRMAN'S COMMUNIQUE

Vineet Nayyar
Executive Vice Chairman

Dear Shareholders,

The year gone by has been another year of progressive and exciting changes in the technology world. Everywhere, we see more evidence that change is happening on an exponential scale. This velocity and volume of change is a result of huge leaps in technology and the increasing connectedness of people and things.

Hyper connectivity is dramatically changing the world around us and the way business is done. Technology has evolved from an overhead to an enabler and increasingly to a full-fledged competitive advantage. Enterprises are now unleashing the power of technology to prepare themselves for the future and to align with the changing needs of new age customers.

Business operations are being transformed to be take advantage of trends like collaboration and inclusion. Today's larger digital ecosystem allows consumers more flexibility, convenience and choice. Emerging business models powered by technology are increasingly, disrupting traditional views of business processes. Our customers are looking at solutions in digital enablement to enable their business to be future-ready.

Fiscal year 2013-14 has been an iconic year for us too in many respects.

We have grown at a steady pace and have surpassed the USD 3 billion mark in revenues, with 625+ active customers and approximately 90,000 associates. We closed FY14 with revenues of ₹ 18,831 crores; a growth of 31.4% year-on-year (YoY). Profit After Tax was ₹ 3,029 crores up 54.9% YoY. With almost no debt on our books as of now, we have decided to increase our dividend, with the Board of directors recommending a dividend of 200% for FY14 against 50% in FY 13.

One of the most important events in the year gone by was the merger of Mahindra Satyam with your Company, effective June 24, 2013. Our efforts and planning led to a remarkably seamless integration and we continue to reap the benefits of having a larger, more diverse platform which can help us serve our customers better. I take this opportunity to thank our investors, customers and employees whose constant support made this endeavour a great success.

The year gone by has also been significant not only in terms of our growth but also in terms of the improved conversion of our sales pipeline. We saw steady closures of new large deals in both the telecom and the enterprise division. Our ability to compete and win large deals especially in the Enterprise side has been a significant achievement this year. We hope to focus and strengthen this capability in the coming years.

In keeping with our strategy of investing in new areas, we ventured in to the area of Network services in when we signed the Base telecom deal. This is a unique opportunity for your company to position itself as a key partner to Telecom customers in the Network space. On the non-organic front, we continued to make select bets and investments in markets through BASF IT, and in capabilities through the merger of Mahindra Engineering Services.

Our customer base has also increased significantly as we added 113 new logos. We expanded our footprint across geographies with the launch of a new branch in Istanbul to serve as a hub for Turkey and Central Asia. Our delivery centres in Fargo, USA and Antwerp, Belgium were our other new additions.

Co-innovation with partners and customers continues to be a focus area. Our co-innovation model has helped us enhance existing offerings, create differentiators, intellectual properties, and develop re-usable assets for our customers.

We demonstrated Thought Leadership with our participation at various global events including the **World Economic Forum 2014.** Tech Mahindra this year, was the recipient of some of the major industry awards across multiple domains. The Tech Mahindra leadership was honored with the **Ernst and Young 'Entrepreneur of the year' [Manager] Award, CNBC India 'Business Leaders' Award and DQ 'IT Person of the year' Award.**

Tech Mahindra was included in the **Global Services 100 list** and we have been recognized by our partners and alliances like **SAP, CA Technologies, Juniper Networks, Teliasonera, Pegasystems, BASE and HP** for our achievements in Testing, Mobility, Learning among others.

Mahindra Rise™ tenets continue to inspire us as our teams drive positive change across all stakeholders. Our associates are engaged with the community as well and the employee volunteering programme has seen an overwhelming participation across the organization with a steady increase over the years.

As we look ahead, we are confident of our defined strategies and are committed to delivering enhanced value to all our stakeholders. I would like to thank our valued customers and associates for their support that has been critical and integral to our success. I also like to place on record our deepest gratitude to our shareholders for their continued patronage and unwavering faith. I assure you that my team and I will live up to the trust you have reposed in us.

We look forward to an exciting year ahead with new milestones and achievements.

Sincerely,

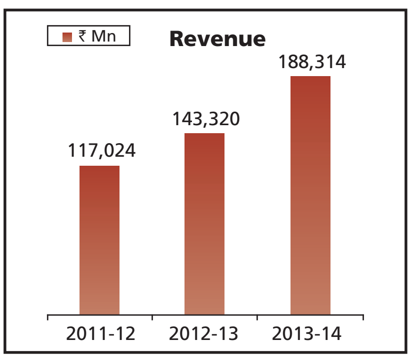
Vineet Nayyar

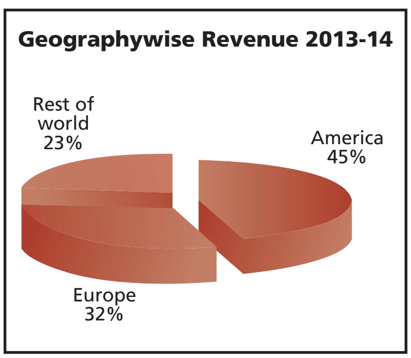
Place: Mumbai
Date: 27th June 2014

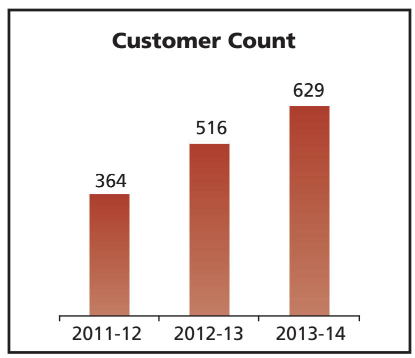
CONSOLIDATED FINANCIAL PERFORMANCE FOR LAST THREE YEARS

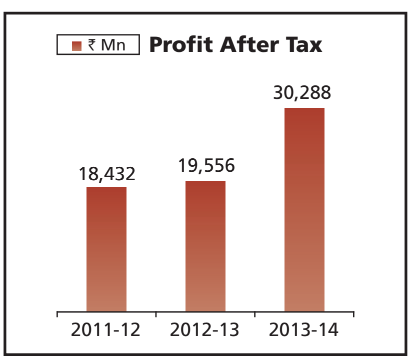
Particulars	2011-12		2012-13		2013-14	
	₹ Mn	US$ Mn	₹ Mn	US$ Mn	₹ Mn	US$ Mn
Revenue	117,024	2463.0	143,320	2,632.7	188,314	3,098.2
Total Income	122,037	2568.5	145,442	2,671.7	189,444	3,119.0
EBIDTA (Operating Profit)	19,518	410.8	30,633	562.6	41,838	687.1
PBIT	21,341	449.2	28,858	530.0	37,746	622.0
Interest	1,073	22.6	921	16.9	799	13.3
PBT	20,268	426.6	27,937	513.1	36,947	608.7
PAT before exceptional, earlier period items and minority interest	17,979	378.4	21,458	394.1	29,424	484.2
PAT	18,432	387.9	19,556	359.3	30,288	498.0
EBIDTA Margin %	16.7%	16.7%	21.4%	21.4%	22.2%	22.2%
PAT Margin %*	15.4%	15.4%	15.0%	15.0%	15.6%	15.6%
Equity Capital	2,309	48.6	2,316	42.7	2,335	39.0
Net Worth	48,158	1,013.6	68,535	1,262.4	91,820	1,532.4
Net Block Including CWIP	18,161	382.2	20,086	370.0	22,966	383.3
Investments	14,650	308.3	14,174	261.1	14,719	245.6
Current Assets	76,684	1,614.0	89,634	1,651.0	105,472	1,760.2
Current Liabilities & Provisions	39,550	832.4	46,531	857.1	45,749	763.5
Total Assets	115,541	2,431.8	138,105	2,543.8	159,396	2,660.1
Current Ratio	1.9	1.9	1.9	1.9	2.3	2.3
ROCE % #	42.3%	42.3%	41.3%	41.3%	43.0%	43.0%
EPS (Diluted, in ₹ and US$) ^^	79.8	1.7	82.4	1.5	126.8	2.1

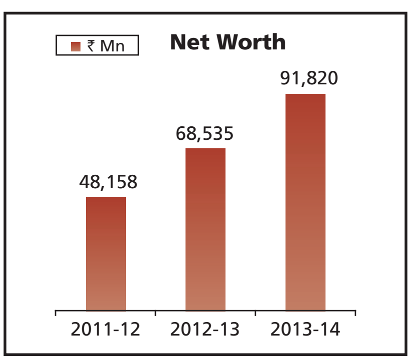
* PAT before exceptional, earlier period items and minority interest
# ROCE% =PBIT/Average capital employed
^^ EPS for FY 2011-12 is Basic EPS
Note : The merged financials for FY 2011-12 and FY 2012-13 are prepared from audited accounts of the 6 companies as if merger has taken place on 1st April 2011, however we have not obtained the audit opinion on the merged entity's consolidated financials.

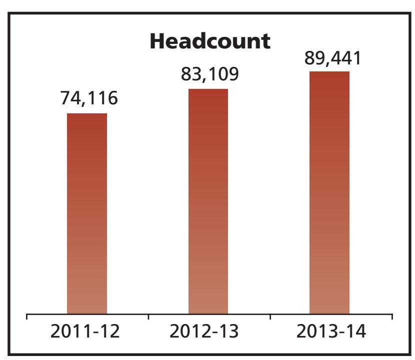












DIRECTORS' REPORT

Your Directors present their Twenty-seventh Annual Report together with the audited accounts of your Company for the year ended 31st March, 2014.

FINANCIAL RESULTS

(₹ in Million)

For the year ended 31st March	2014	2013#
Income	163,654	59,067
Profit before Interest, Depreciation, exceptional items and tax	36,316	10,832
Interest	(868)	(1,090)
Depreciation	(4,270)	(1,570)
Profit before exceptional items and tax	31,178	8,172
Exceptional items	1,200	-
Profit Before Tax	32,378	8172
Provision for taxation	(5,523)	(1,647)
Profit after tax	26,855	6,525
Balance brought forward from previous year	27,495	24,068
Adjustments on account of Amalgamation	(2,396)	-
Profit available for appropriation	51,954	30,593
Transfer from / to Debenture Redemption Reserve	2,366	(1,348)
Final Dividend	(1)	-
Dividend (Proposed)	(4,669)	(641)*
Tax on dividend	(794)	(109)
Transfer to General Reserve	(5,000)	(1,000)
Balance carried forward	43,856	27,495

Previous year figures are not comparable as they reflect results of pre merged operations.

* In addition, the Company has paid dividend of ₹ 521.36 Million and dividend tax thereon of ₹ 88.605 Million as approved by the shareholders in the Annual General Meeting held on September 26, 2013 in respect of equity shares issued pursuant to the amalgamation of Satyam Computer Services Limited with the Company & options exercised under the Employee Stock Option Schemes after the date of the Audited Accounts for the year ended March 31, 2013 and before the book closure date for the Annual General Meeting.

MERGER

During the year under review, the Scheme of Amalgamation and Arrangement between your company and Venturbay Consultants Private Ltd, Satyam Computer Services Ltd, C&S System Technologies Private Ltd, CanvasM Technologies Limited and Mahindra Logisoft Business Solutions Limited got consummated on June 24, 2013 thus creating the 5th largest Indian IT services company with FY13 revenues of US$ 2.6 Billion and a team of 84,000 professionals. Your Company also announced a new brand identity "Tech Mahindra" which dons a new look and logo, reflecting the heritage of the Mahindra Group and Company's positioning representing the new connected world, offering innovative and customer-centric services and solutions. Subsequent to the Scheme of Amalgamation & Arrangement between Mahindra Satyam and Tech Mahindra becoming effective, the Board of Directors fixed July 5, 2013 as the Record Date for Mahindra Satyam shareholders for issue of Tech Mahindra Shares in the approved share swap ratio. Your Company completed the process of allotting shares of Tech Mahindra Limited to the shareholders of erstwhile Satyam Computer Services Limited in record time. This resulted in the issued capital of your company going up from earlier 129

Million shares to 232 Million shares. The shares swap got completed and the Stock Exchanges accorded their approval for trading of the new shares effective July 12, 2013.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 20/- per Equity Share (200%), payable to those Shareholders whose names appear in the Register of Members as on the Book Closure Date.

The equity dividend outgo for the financial year 2013-14, inclusive of tax on distributed profits would absorb a sum of ₹ 5,463 Million (₹ 1360 Million for the previous year).

CHANGES IN SHARE CAPITAL

During the year under review, your Company allotted 103,485,396 equity shares of face value ₹ 10 each to the shareholders of erstwhile Satyam Computer Services Limited ('SCSL') on 6th July 2013 upon consummation of the amalgamation of SCSL with your Company. Further your Company allotted 1,868,467 equity shares on the exercise of stock options under various Employee Stock Option Plans. Consequently the number of issued, subscribed and paid-up equity shares has increased from ₹ 1,281 Million divided into 128,119,023 equity shares of ₹ 10 each to ₹ 2,335 Million divided into 233,472,886 equity shares of ₹ 10 each.

TECH MAHINDRA INCLUSION IN NIFTY

Your Directors are pleased to report that Tech Mahindra has been included in CNX NIFTY Index by National Stock Exchange of India Limited effective March 28, 2014. This follows increase in market capitalization of the company. Your directors are happy to report that the market price of the shares improved by 69% during the period under review.

BUSINESS PERFORMANCE / FINANCIAL OVERVIEW

Your Directors are pleased to report on the progress of the company in the first annual report of the merged entity. Your company's traditional expertise in Telecom was broadbased by the expertise in Enterprise systems of the erstwhile Mahindra Satyam which was merged with Company in June 2013. The Company now offers a full range of IT services and industry specific solutions to help clients take advantage of opportunities. The Company has partnered with several Fortune 100 companies to deliver outstanding solutions across industries. The company offers a bouquet of services which includes Telecom Services, Consulting, Application Outsourcing, Infrastructure Outsourcing, Engineering Services, BPO, Platform Solutions and Mobile Value Added Services. With an impeccable track record of delivery and strong alliances with leading technology and product vendors, the Company serves 629 customers, including several of the Fortune 500 Companies. Your company has more than 72 delivery centers and 40 sales offices.

The merger is very timely, considering the various changes taking place across the globe both in terms of the pace of economic growth and in terms of technology. From an economic perspective there are some signs of recovery but customers are faced with the challenges of managing their existing technology platforms while investing in new technology which could significantly alter their business in the future. The emerging trends like cloud based services, social media, big data and digital enterprises have gained momentum in the year gone by. Your Company believe that the combination of our historical expertise in Telecom and Communications and the capabilities like Enterprise Resource Planning (ERP), Business Intelligence (BI) and analytics added through the merger shall help us create innovative solutions for customers.

In the fiscal year 2013-14 the Company's consolidated revenues increased to ₹ 188,314 Million from ₹ 143,320 Million in the previous year, at a growth rate of 31.4% (compared to merged entity's FY 2012-13 consolidated financials). The geographic split of revenue was quite balanced with 45% share of Americas, 32% share of Europe, and 23% from Rest of the World as of 31st March 2014.

The consolidated Profit before Interest, Depreciation, Tax and Exceptional Items was at ₹ 42,968 Million, against ₹ 32,754 Million in the previous year (compared to merged entity's FY 2012-13 consolidated financials). Improvement in operating profits was driven by revenue growth and cost efficiencies in addition to benefits from rupee depreciation.

The consolidated Profit after Tax, amounted to ₹ 30,288 Million as against ₹ 19,556 Million in the previous year, a growth rate of 54.9% (compared to merged entity's FY 2012-13 consolidated financials).

The number of customers increased from 516 in the previous year to 629 at the end of fiscal year 2013-14.

In emerging areas of Big Data, Mobility Network, Cloud, Security, BPO/BSG, Platforms and Engineering Services, Tech Mahindra is well placed in the breadth of service offerings. Your company has also progressed well in building intellectual property through various Products & Services and Platforms. Your Company is committed towards building a synergistic relationship with its partners to enable deliver complete and customized solutions to customers. During the year, Tech Mahindra has developed an integrated program 'BROP' (Building Relationships and Opportunities and Projects) program, which helps partner organizations and customers to succeed.

In summary, Tech Mahindra is well positioned in the markets it serves with a broad range of service offerings and a diversified customer base.

ACQUISITIONS

Mahindra Engineering Services Limited (MESL)

Your Company's Board of Directors in its meeting held on 29th November 2013 approved the Scheme of Amalgamation & Arrangement of Mahindra Engineering Services Limited (MESL) with the Company, subject to applicable approvals from the authorities and sanction by the Hon'ble High Court of Judicature at Bombay. The proposed merger will help to boost Company's engineering services prowess. MESL is engaged in the business of rendering engineering services in relation to designing and developing parts, components, and systems. The proposed merger will result in the creation of one of the leading players in engineering services from India with strengths in Aerospace and Automotive verticals. The exchange ratio recommended by the joint valuers and certified as fair by the merchant bankers & approved by both the boards, subject to approval of shareholders of both Companies and Hon'ble High Court of Bombay, is 5 shares of the Company (face value of ₹ 10 each), for every 12 shares of Mahindra Engineering Services Limited (face value of ₹ 10 each). The merger proposal is approved by the Competition commission of India, Securities and Exchange Board of India and the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. An application for convening Shareholders' meetings of both the Companies has been filed with the Hon'ble Bombay High court.

Comviva

As you are aware Tech Mahindra had acquired 51% stake in Comviva Technologies Limited (Comviva) last year and thus Comviva became a subsidiary of the company. During the year, your company has increased its stake in Comviva to 67.12%, through purchase of the shares as agreed at a consideration of ₹ 910 Million.

Complex IT

Your Company acquired a majority stake in Complex IT – one of the largest SAP consulting providers in Brazil on 2nd May, 2013. This acquisition will help your Company focus on developing solutions for the rapidly expanding Enterprise Solutions market within Brazil and Company would be well positioned to combine local expertise with ability to deliver large and composite projects.

BASF Business Services Consult GmbH

Tech Mahindra GmbH, Düsseldorf, a wholly-owned German subsidiary of your company signed an agreement with BASF Business Services Holding GmbH in February, 2014 to acquire its business with third party customers along with its 100%-owned subsidiary BASF Business Services Consult GmbH, based in Hamburg. BASF Business Services Holding GmbH will in future focus on providing information services, supply chain operations and business process management for BASF Group. The acquisition process is expected to be completed by September 2014. This acquisition will help strengthen your Company's footprint in Germany.

Fix Stream

The Company on 18th April 2014 entered in to an agreement to acquire majority stake in Fixed Stream Networks Inc (FSNI), a technology startup company subject to necessary regulatory approvals, at a consideration of US$ 10 Million.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

QUALITY

Your Company continues its focus on quality and strives to meet customer expectations at all times. Post merger, it has been able to successfully integrate two systems and brought the entire organization on to the same process platform. It is certified under various standards to meet client demands and enhance value delivery- Successfully assessed at CMMI Dev V1.3 L5, TMMi, TL9K, ISO 9001:2008, ISO 20000:2012, ISO 27001: 2005, AS9100 (Standard for Aerospace domain – scope of certification limited to the aerospace business within Tech M). In addition to these, your company has undergone SA800 certification, a Social Accountability standard, for applicable accounts as per the contractual obligations and also maintains its commitment to health, safety and environment by continually improving its processes in accordance with ISO 14001 and OHSAS 18001 standards.

Your Company is also certified on ISO 22301:2012 (Societal Security) and has a comprehensive Business Continuity and Disaster Recovery framework, to prevent potential business disruptions in the event of any disaster. It can quickly resume services to customer's acceptable service levels. Automated Service Desk with SLAs for enabling business and Vulnerability Assessment and Penetration Testing Lab for secured corporate network operations are highlights showcasing information security posture of the Organization.

Apart from this, Tech Mahindra also strengthened their processes to comply with Mahindra & Mahindra's Business Excellence model – The Mahindra Way (TMW) and is assessed at stage 6 for its Telecom Business and is striving for a similar level for its Enterprise Business during the assessment in June this year.

These certifications are testimony of the robustness of business processes and at large the quality culture imbibed in the organization.

Your Company has also introduced high maturity practices to measure the effectiveness of the processes and manages them quantitatively. One such initiative is "Execution Excellence Index" focusing on achieving high project maturity, improved tools usage and standardization, knowledge management and performance on key business metrics, in order to strengthen further the Business Excellence in what we deliver to the customers.

HUMAN RESOURCES

Post the merger of Mahindra Satyam - HR Policies and processes have been strengthened to stay relevant to the changing demographics, enhance organizational agility and remain compliant with the changing regulatory requirements. The company through creation of robust business and people models with the supporting organization structure through reorganization sees the opportunity to accelerate the Company into the next phase of growth globally. The primary driver for people models is to enable and draw strength from highly motivated and engaged workforce. The set of levers which has been used to drive engagement and have positive impact on discretionary effort of the employees ranges from effective programs for on boarding, benefit plans, day to day work, organization culture etc. However, the high impact levers continue to be in the area of learning & development, career and recognition programs.

Learning and development continued to aim at excellence in building capability into the pillars of technology, project management, domain and leadership across the organization. Multiple new initiatives for building capability and enabling growth of individuals and teams were launched.

Achiever in Making is a program which is aimed at imparting young talent with sales skills to morph into seasoned sales professionals.

SUBSIDIARY COMPANIES

During the year under review, your Company formed the following wholly owned subsidiary/JV companies:

- **TECH MAHINDRA ICT SERVICES (MALAYSIA) SDN. BHD.** for providing telecommunications, computer networks, technology infrastructure, IT Infrastructure Services, Data Center Operations, Engineering Services, business process outsourcing (BPO), knowledge process outsourcing (KPO).
- **Tech Mahindra IPR Inc** has been incorporated as a subsidiary of Tech Mahindra (Americas) Inc, a wholly owned subsidiary of the Company in USA, to carry on the business of purchasing, conceiving, creating, improving, marketing, selling, delivering, producing and supplying software products for insurance policy administration and for other purposes. The board of directors of the company in its meeting held on 4th February 2014 has approved the proposal to buy entire share capital of Tech Mahindra IPR.

- **Mahindra Educational Institutions (MEI)**, a Section 25 company, formed in the year 2013 under Companies Act 1956, as 100% subsidiary of erstwhile Mahindra Satyam. Consequent to the merger of Mahindra Satyam with Tech Mahindra, it has become wholly owned subsidiary of Tech Mahindra. MEI was formed for the cause of promoting quality higher education by establishing institutions of higher learning, encourage education and research work in different disciplines and to promote innovation and technology development. As part of this objective, MEI has established a technical institution in Hyderabad, named as Mahindra Ecole Centrale, to offer four year B.Tech Program from the academic year 2014-15 in association with Ecole Centrale, Paris and industry-academia MOU with Jawaharlal Nehru Technological University, Hyderabad. The institution vision is to train engineers, to be entrepreneurial and innovative as well as technically trained, so that they are capable of meeting the greatest challenges of the era.
- **Global ICT Investment Holdings PTE. Ltd** in Singapore as a 50:50 Joint Venture Company between your company and SBI Hongkong Holdings Co., Ltd. to undertake investment in IT start ups.

During the year under review **Bridge Strategy Group LLC,** an overseas subsidiary of erstwhile Mahindra Satyam was divested.

As on 31st March, 2014, your Company has 42 Subsidiaries, including 14 step-down subsidiaries and 1 Joint Venture company. There has not been any material change in the nature of the business of the subsidiaries. As required under the Listing Agreements with the Stock Exchanges, the Consolidated Financial Statements of your Company and all its subsidiaries are provided in this Annual Report. The Consolidated Financial Statements have been prepared in accordance with Accounting Standards AS 21, AS 23 and AS 27 issued by The Institute of Chartered Accountants of India and show the financial resources, assets, liabilities, income, profits and other details of your Company and its subsidiaries and share in associate company as a single entity, after elimination of minority interest.

In terms of general exemption granted by the Ministry of Corporate Affairs pursuant to Section 212(8) of the Companies Act, 1956, the documents referred to under Section 212(1) of the Companies Act 1956 are not attached to the Balance Sheet of the Company as the Statement pursuant to Section 212 of the Companies Act, 1956 containing details of the Company's subsidiaries forms part of this Annual Report. The said documents are available at Registered Office / Corporate Office of the Company and the office of the respective subsidiary companies. The Company Secretary will make these documents available upon receipt of request from any member of the Company interested in obtaining the same.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Tech Mahindra is committed to play its role as an enlightened corporate citizen and has been earmarking 1.5% of its Profit after Tax (PAT) every year for CSR activities. CSR activities of your Company are carried through Tech Mahindra Foundation & recently promoted Mahindra Educational Institutions.

Pursuant to the guidelines prescribed under Section 135 of the Companies Act, 2013 your Board has formed a new Committee namely CORPORATE SOCIAL RESPONSIBILITY (CSR) Committee on 7th November 2013. Subsequently the CSR Policy as recommended by the CSR Committee was approved by your Board.

The CSR vision of Tech Mahindra Limited is ***"Empowerment through Education."***

TECH MAHINDRA FOUNDATION (TMF)

Tech Mahindra Foundation (TMF) implements TML's CSR programmes in promoting Education and Employability through a variety of projects; which are in turn implemented by a number of NGO partners. Since Disability is a cross-cutting theme, some projects are specifically geared towards benefitting people with disabilities including visual disabilities.

During the year under review, TMF's programme spend has been ₹ 18.62 crore, reaching out to 71,383 direct beneficiaries and 321,224 indirect beneficiaries through 116 projects and 89 partners spread out across eight cities, namely, Delhi - NCR, Pune, Mumbai, Hyderabad, Chennai, Bhubaneswar, Kolkata, and Bangalore. In Financial Year 2014-15, TMF will be operational in ten cities with the inclusion of Chandigarh and Visakhapatnam.

TMF's approach to working in its chosen areas of Education, Employability, and Disability :

Education

In education, TMF works in three thematic areas, namely, school improvement programmes, teacher empowerment programmes, and learning enrichment not only through support to various NGOs for educational interventions, but also through direct implementation programmes like whole school turnaround projects, in-service teacher training, and felicitating outstanding teachers of municipal schools of Delhi through Shikshak Samman Award.

During the year under review, Tech Mahindra Foundation and East Delhi Municipal Corporation (EDMC) signed a 5-year partnership for building capacity of 5000 municipal corporation teachers associated with EDMC. This involves developing the In-service Teacher Education Institute (ITEI).

Employability - Vocational Training and Employment (SMART)

TMF's flagship programme for vocational training and employment is SMART (Skills-for-Market Training) where youth are trained in areas like Information Technology (IT), accounting, hospitality, business process outsourcing (BPO), retail and sales, and nurse aides. The SMART programme began in 2012-13, with just 3 SMART centres and benefitted 1000 youth. During the year under review, there are 25 SMART centres operational across India benefitting 4800 youth. Youth graduating from the SMART centres got jobs where their average starting salaries were often higher than their family's total income. SMART has been designed as an inclusive programme in which the interests of youth with disabilities have been kept in mind, and accordingly there are SMART Plus centres that work exclusively with persons with disabilities.

Disability

TMF firmly believes in the abilities of persons with disabilities and seeks to give dignity and independence to persons with disability, with focus on visual disability. The foundation supports several organizations in their various initiatives like early interventions to identify disability and training of caregivers; physio, speech and vision therapies for children with multiple disabilities; IT training for the disabled; radio programme and websites for visually impaired people; printing of braille books, development of digital books, and audio aids; and research and development of new technologies to help people with disability.

TMF was one of the co-sponsors of the critically acclaimed and widely appreciated TV show *Nazar Ya Nazariya*, which was produced by Score Foundation—a partner organization. The show aired on Doordarshan, raised awareness about issues faced by persons with visual impairments and their solutions, as well as many success stories.

Volunteering

Your Company encourages associates to engage with TMF and volunteer in programmes, something that has always given the young corporate employees to get a feel of the other side of the world. Towards this, TMF makes them a part of some of the programmes – whether it is a short-term event based engagement, or a long-term continuing association. These programmes have the potential to not just engage the associates in a variety of activities but also contribute to long-term, sustained volunteering. On an average, around 500 associates volunteer their time and skill every month contributing approximately 2500 man hours to various CSR activities.

SUSTAINABILITY

As part of an enlightened & responsible business group having a global presence, your Company has taken considerable steps not only in creating "Green" strategies but also making environmental stewardship, a core part of the business strategy that takes accountability for every dimension of social, cultural, economic and environmental governance, creating sustainable value for all its stakeholders. Your Company has been participating in the Sustainability Reporting of the Mahindra Group since Financial Year 2007-08. During the year under review the 6th Sustainability Report for the year 2012-13 was released. All these reports were in accordance with the latest guidelines of the internationally accepted, Global Reporting Initiative (GRI).

This report was assured by KPMG and conforms to the highest level for reporting 'Sustainability' performance, which is A+. The report and the performance rating of A+ was checked and confirmed by GRI*. The detailed Group Sustainability Reports are available on the website http://www.mahindra.com/How-We-Help/Environment/Sustainability-Reports

In order to take a structured path for reducing its carbon footprint, your Company has a 2 Year Sustainability Road map. Along with growth in business, the performance on environmental and social fronts has also improved, across various products and services.

Your Company reducing GHG emissions and waste, as well as conserve water, bio-diversity and natural resources. In the Financial Year 2013-14 concerted efforts were made to ensure targets are met over committed time lines in the following thrust area:

1. Gold Certification of Chennai campus from IGBC Leadership in Energy (LEED certification)
2. OHSAS 18001:2007 - Health, Safety and Environment Certification for Bangalore campus.
3. ISO 14001:2004 & OHSAS 18001:2007 - Health, Safety and Environment Certification for Hyderabad Campus.
4. Occupancy sensors to reduce the electricity consumption
5. Wealth of Wellness initiative for employees.
6. Save Power Initiative among the employees to reduce power wastage.

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*Note: *GRI is a Netherlands based multi-stakeholder network of experts worldwide, which has pioneered the development of the world's most widely used sustainability reporting framework. United Nations is one of its key stakeholders. This reporting framework sets out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance.*

CORPORATE GOVERNANCE

A report on Corporate Governance along with a certificate for compliance with the Clause 49 of the Listing Agreement issued by the statutory auditors of the Company is provided elsewhere in the Annual Report.

DIRECTORS

During the year under review, consequent to the amalgamation of Mahindra Satyam with your company, the Board of directors of the company was reconstituted on 1st July 2013. Hon. Akash Paul, Mr. B. H. Wani and Dr. Raj Reddy resigned and Mr. Paul Zuckerman did not opt for reappointment at the last Annual General meeting held on September 26, 2013. The board of directors places on record its sincere appreciation for the meritorious services offered by these directors.

Mr. T. N. Manoharan and Mrs. Rajyalakshmi Rao the directors of erstwhile Mahindra Satyam were appointed as additional directors of the company w.e.f. 1st July 2013 and appointed as Directors in the Annual General Meeting held on September 26, 2013.

Pursuant to the provisions of Section 152(6)(c) of the Companies Act, 2013, Mr. Ulhas N. Yargop, Director is liable to retire by rotation and being eligible offer himself for reappointment.

Pursuant to the provisions of Section 150(2) read with Section 149(10) of the Companies Act, 2013, shareholders approval is sought for the appointment of Mr. Anupam Puri, Mr. M. Damodaran, Mr. Ravindra Kulkarni, Mr. T. N. Manoharan and Mrs. M. Rajyalakshmi Rao as Independent Directors of the Company for a term of five consecutive years, at the ensuing annual general meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representation received from the Operating Management and after due enquiry, confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed;
ii. they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and,

reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March 2014 and of the profit of the Company for the year ended on that date;

iii. proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the annual accounts have been prepared on a going concern basis.

AUDITORS

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, the Auditors of your Company, hold office up to the conclusion of the forthcoming Annual General Meeting of the Company and have given their consent for re-appointment. Pursuant to provisions of Section 139(2) of Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014, M/s. Deloitte Haskins & Sells LLP are eligible for appointment as Auditors for a further term of three years. Your Company has received a written confirmation from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants to the effect that their appointment, if made, would satisfy the criteria provided in Section 141 of the Companies Act, 2013 for their appointment. The Board recommends the re-appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants as the Auditors of the Company from the conclusion of the ensuing AGM to the conclusion of the next AGM.

The information and explanations on the qualification contained in the Auditors' report are provided in detail in the Note 27.3 forming part of the financial statements. Your board opines that no further explanation is required in this regard.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under sub-section (1)(e) of Section 217 of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) rules, 1988 are provided in Annexure I which forms part of this report.

PARTICULARS OF EMPLOYEES

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 and the Rules (as amended) made there under, forms part of this Report. However, pursuant to the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, this Report is being sent to the shareholders excluding the above said information. Any shareholder interested in obtaining the particulars under Section 217(2A) may write to the Company Secretary at the Registered Office / Corporate Office of the Company.

EMPLOYEE STOCK OPTION PLANS

Details required to be provided under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are set out in Annexure II to this Report.

DEPOSITS AND LOANS/ADVANCES

Your Company has not accepted any deposits from the public during the year under review. The particulars of loans/advances and investment in its own shares by listed companies, their subsidiaries, associates, etc., required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement are furnished separately.

AWARDS AND RECOGNITION

Your Company continued its quest for excellence in its chosen area of business to emerge as a true global brand. Several awards and rankings continue to endorse your Company as a thought leader in the industry. The awards / recognitions received during the year 2013-14 include:

- Mr. Vineet Nayyar & Mr. C. P. Gurnani won Ernst & Young Entrepreneur of the Year (Manager) Award.
- Recognized as Indian Most Admired Knowledge Enterprise (MAKE) Winner for the year 2013.
- Mr. C. P. Gurnani awarded as the Dataquest IT person of the year 2013.
- Recognized as the 'Top Telecom Company of the year' by Voice and Data.
- Netgear honored Tech Mahindra BSG (vCustomer) with 'Best Supplier of the Year' Award.
- Mr. C. P. Gurnani won the 'CNBC Asia India Business Leader of the Year' Award.
- The Top IT & ITES Exporter from the state of Andhra Pradesh for the year 2012-13 by

ITsAP - Information Technology & Services Industry Association of Andhra Pradesh.

- Won Gold at Express IT awards by Financial Express for EMRI and Fightback in 'CSR in IT category'.
- Mahindra Comviva won AfricaCom Award 2013 for Best Mobile Money Service
- Partner of Year Award at HP 2013 EMEA Sales Summit.
- The 'EDGE' Award for Knowledge Management.
- IT Pride of Karnataka Award second year in a row.
- The Champion Innovation award at the 2013 Juniper Champions Summit.
- Tech Mahindra won 7th edition of SAP ACE Award 2013.
- Winner of 2013, 2011 and 2010 AT&T Supplier Award for outstanding performance & service to AT&T and its affiliates..
- iCMG world award in the 'IT Landscape Rationalization' category along with BT.
- Oracle Partner Network 'FY13 Strategic deal partner excellence award' by Mahindra Satyam.
- Mahindra Satyam BSG won the 'Best Indian ITES Company' award from ITsAP (The IT and ITES Industry Association of AP).
- Mahindra Satyam Won the PegaWorld Partner Award, 2013.
- CanvasM's FightBack Recognized by NASSCOM among top 10 safety applications.
- CanvasM wins mBillionth Awards 2013 in two categories m-Inclusion and m-Women and Child award for Saral Rozgar and Fightback.

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation for the contributions made by employees towards the success of your Company. Your Directors gratefully acknowledge the co-operation and support received from the shareholders, customers, vendors, bankers, regulatory and Governmental authorities in India and abroad.

For and on behalf of the Board

Place: New York, USA — Anand G. Mahindra
Date: 14th May, 2014 — Chairman

Particulars of loans/advances and investment in its own shares by listed companies, their subsidiaries, associates, etc., required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement.

Loans and advances in the nature of loans to subsidiaries:

(₹ in Million)

Name of the Company	Balance as on		Maximum outstanding during the year ended on	
	March 31, 2014	March 31, 2013	**March 31, 2014**	March 31, 2013
Tech Mahindra (Nigeria) Limited	**191**	109	**202**	110
Tech Mahindra South Africa (Pty) Limited	**30**	--	**31**	--
Tech Mahindra BPO Limited	**1,620**	--	**2,620**	--
Citisoft Inc.	**--**	--	**76**	--
Satyam Computer Services (Egypt) S.A.E#	**60**	--	**60**	--
Satyam Europe Ltd*	**303**	--	**303**	--
Vision Compass Inc*	**346**	--	**346**	--

This Company is in process of liquidation.

*These companies have been liquidated/dissolved as per the laws of the respective countries. However, the company is awaiting approval from Reserve Bank of India for writing off these amounts from the books of the company. Such outstanding amounts have been fully provided for, net of payables.

Loans and advances in the nature of loans to associates, loans and advances in the nature of loans where there is no repayment schedule or repayment beyond seven years or no interest or interest below Section 372A of the Companies Act, 1956 and loans and advances in the nature of loans to firms/companies in which directors are interested – **Nil**

Annexure 'I' to the Directors' Report

Particulars pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A) Details of Conservation of Energy:

Your Company uses electrical energy for its equipment such as air-conditioners, computer terminals, lighting and utilities at work places. As an ongoing process, the Company continued to undertake the following measures to conserve energy:

- Completed pilot project using a new technology in Air-conditioning system at one of its facilities for optimizing power consumption.
- Power savings of 1.7% per associate achieved in 2013-14 as compared to 2012-13, through effective operational controls and close monitoring.
- Installed LED lights in select facilities for optimizing power consumption.
- Usage of Bio Mass Energy (Green Power) in Chennai, lead to reduced usage of non-renewable resources (diesel) in-turn reducing the GHG emissions.
- Chennai Campus is certified as Leadership in Energy and Environmental Design (LEED) – Gold rated Buildings.

B) Technology Absorption:

(a) Research and Development (R&D):

1. Specific Areas in which R&D work has been done by the Company and benefits expected:

Your company has taken various steps in R&D areas and the details are summarized below:

Cloud Services

The IP DEVELOPED around Cloud address Industry specific pain points:

- PIMS & MARSHAL– A Microsoft Azure based solution for Oil and Gas for Pipe Incident Management for quicker turnaround time for localizing the problem in pipe system
- Shelf Monitor, REIMS for Retail – A retail vertical specific solution that helps retail SMEs to use this in a SaaS model
- UBI for Insurance – Data management and monetization in SaaS model

Two frameworks were deployed to increase the cloud adoption in enterprise and telco ecosystem namely IMPACT Methodology and PACE Framework for Cloud Advisory services.

Testing industrialization

The company's testing services industrialization is driven through lean tools, shared services, engaging right talent, standardization of processes and cutting edge innovation. A standardized tool set has been constructed based on technology stack and delivery frameworks, integrating processes across the lifecycle to deliver zero deviations in quality. 50+ COTS and bespoke tools have been developed and deployed to date, across SDLC.

DevOps

In this space the company has developed reference architectures which enables clients to integrate multiple technologies required to deliver this capability. This capability offers to help customers by integrating prominent products from leading product vendors including CA, HP, Microsoft, CollabNet and IBM.

Platforms

The company developed the **Network Analytics Platform** to address network performance and capacity issues. This platform provides a 360 degree view in areas of business and operations. This platform is an end-2-end solution that focuses not only on analyzing the data but also on its collection from different network elements, transmission and modeling. Predictive algorithms implemented within this platform help customers pre-empt a problem and prevent the problem from arising.

The company developed **Capio**, a robust Order Fallout Management solution and the Socio platform providing leading accuracy on text analytics based on Net Promoter® score.

The company also developed **mEMS**, a unified portal for customers to manage services from service catalog, assets, SLA reports, Availability and Capacity reports and Billing details.

IMS

The company invested in building 3 exciting platforms namely:

1) **IT Service Automation platform** for creating a Workflow based automation platform as opposed to task based automation.
2) **Unified Service Operation Platform (USOP)**, the envisioned next generation managed IT services platform to meet the scalability, complexity and performance requirements of enterprise IT services and
3) **Managed Platform for Adaptive Computing (mPAC)**, to transform the enterprise computing sourcing and deployment models by leveraging emerging technologies such as cloud management platforms, public cloud services, orchestration, workload management, etc.

Manufacturing

The company developed **Cognipal (Cognitive Companion)**, a vehicle infotronics & infotainment solution which aims to convert the vehicle into intelligent machine with features such as real-time tracking, monitoring driving patterns and offering tips to improve vehicle performance.

Energy & Utilities

Intelligent Electric Vehicle Charging Solution (IEVCS): The company developed this innovative integrated M2M and Real Time Analytics platform solution, whereby electrical utilities can manage high power demand anticipated with increasing density of EVs with the residents without adding network capacity.

Integrated Engineering Solutions

Aerospace & Defense

The company built war gaming simulation software for tri services integration: Design, develop and deploy a Joint war gaming package using GIS based models.

Industrial & Hitech

The company developed Joint NPI (New Product Introduction) programmes with customers for end to end product development of security products and Glocalizing the customer product portfolio through ecosystem of partners.

The company also developed Mass Storage Device Validator (MSDV) for solid state drives (SSDs) with Storage device manufacturers & Enterprise OEMs.

2. **Future plan of action:**

- The company continues to focus on IP development in exciting technologies like wearable devices, gesture-controlled innovations, 3D image compression algorithms for rendering for mobile devices. The usage of such technologies is going to find increasingly large use in e-commerce, healthcare, automotive and gaming space.
- The company is also working with some of the leading operators to develop the next generation solutions in the Software Defined Networks (SDN).
- The company is also foraying into the Network function virtualization (NFV), Web RTC and disruptive technologies in Predictive Analytics in FY15.
- The company is also working on next generation robots for the Manufacturing industry, including cognitive robotics.

3. **Expenditure on R&D:**

a.	Capital	:	Nil
b.	Recurring	:	Nil
c.	Total	:	Nil
d.	Total R&D expenditure as a Percentage of total turnover	:	Not Applicable

(b) Technology Absorption, Adaptation and Innovation:

Your company has adopted a 6 pillar Innovation strategy that looks both inward as well as at the external eco-system has helped the company substantially and has positioned it for substantial growth in the future. The 6 pillar approach comprises of -

- Inhouse innovation program called IRIS, which among other things runs regular cross-organisation and participative programs for ideation on emerging trends and technologies
- Co-innovation with customers program
- Co-innovation with Partners
- Vertical Horizontal Innovation
- Innovation with External eco-system and universities
- Intrapreneurship program, an in-house entrepreneurial programme to develop next-gen solutions and seed high potential/ disruptive ideas.

The company also established a dedicated center of excellence for Data Management Services to capitalize on the rapid data services business. Tech Mahindra improved the existing DMS IP by building reusable platforms and also obtained U.S. copyright for one of the key Data Management platforms (UDMF).

The company launched comprehensive packaged analytics platform for Manufacturing (Enterprise xPert) & Retail (REIMS) leveraging its iDecisionsTM.

C) Foreign Exchange Earning and Outgo:

1.	Initiatives like increasing exports, Development of new export markets etc to Increase foreign exchange	:	95.46% of total revenue of company are from exports.
2.	Foreign exchange earned (on accrual basis)	:	₹ 155,560 Million
3.	Foreign exchange outgo (on accrual basis)	:	₹ 81,340 Million

Annexure 'II' to the Directors' Report

Disclosure as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on March 31, 2014

	Particulars	ESOP 2000	ESOP 2004	ESOP 2006	ESOP 2010	ESOP-A	TML ESOP B 2013*	TML RSU*
	Total Number of options granted	4,474,350	10,219,860	6,918,530	2,296,850	242,802	3,434,395	964,572
a	Options Granted during the year	200,000	Nil	168,000	3,350	242,802	1,686,412	229,000
b	The Pricing Formula	Under the scheme, options were granted prior to the listing of the Company's shares.These options were granted, based on the annual valuation done by an independent Chartered Accountant. During the current financial year options were granted at an exercise price equal to the face value of the share.	Under the scheme, all options were granted prior to the listing of the Company's shares. These options were granted, based on the annual valuation done by an independent Chartered Accountant.	Under the scheme, all options were granted prior to the listing of the Company's shares. These options were granted, based on the annual valuation done by an independent Chartered Accountant. The grants made post listing of the Company's shares on Stock Exchange have been made as per the latest available closing price on the Stock Exchangewith the highest trading volume, prior to the date of the meeting of the Compensation & Nominations Committee in which options were granted.	Under the scheme, all options were granted at the face value of the shares.	The price determined by the Board of Directors from time to time in accordance with the notifications, guidelines and clarifications issued by SEBI or any other statutory authority as applicable.	Up to 26th September 2013, options were priced at higher of 1) The closing price of the shares on the date of the meeting of the compensation committee convened to grant the stock options on the stock exchange where highest volumes are traded OR 2) The average of two weeks high and low price of the share preceding the date of grant of option on the stock exchange on which the shares of the company are listed; whichever is higher. Post 26th September 2013: The options are priced as per the latest available closing price on the Stock Exchange with the highest trading volume, prior to the date of the meeting of the Compensation & Nominations Committee in which options were granted.	Under the scheme, all options were granted at the face value of the shares.
c	Options vested as on March 31, 2014	160,550	1,474,493	209,255	1,777,364	0	851,296	128,214
d	Options exercised during the year	100,190	760,641	458,230	149,139	0	345,186	55,081

Annexure 'II' to the Directors' Report

Disclosure as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on March 31, 2014 (Contd.)

	Particulars	ESOP 2000	ESOP 2004	ESOP 2006	ESOP 2010	ESOP-A	TML ESOP B 2013*	TML RSU*
e	Total number of shares arising as a result of exercise of options	100,190	760,641	458,230	149,139	0	345,186	55,081
f	Options lapsed/ cancelled during the year	7,810	Nil	110,815	40,002	2,500	137,386	43,235
g	Variation in the terms of options during the year	No variation	No variation	No variation	No variation	No variation	No variation	No variation
h	Money realised by exercise of options during the year	₹ 69,700,840	₹ 50,962,947	₹ 81,853,955	₹ 1,491,390	0	₹ 271,350,677	₹ 550,810
i	Total Number of Options in force	484,830	1,474,493	890,780	1,981,083	240,302	2,951,823	866,256
j	Employee-wise details of options granted to:							
(i)	Senior managerial personnel							
	Name	No. of options granted	No. of options granted	No. of options granted	No. of options granted	No. of options granted	No. of options granted	No. of options granted
	Vineet Nayyar	100,000			800,000		800,000	
	Chander Prakash Gurnani	100,000			800,000		800,000	
(ii)	Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during that year							
	Name	No. of options granted	No. of options granted	No. of options granted	No. of options granted	No. of options granted	No. of options granted	No. of options granted
	Prasad Venkatesvara Vara Dasika							14,708
	Rajesh Chandiramani							16,000
	Vivek Agarwal							16,000
	Jain Jitendra				3,350			

Annexure 'II' to the Directors' Report

Disclosure as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on March 31, 2014 (Contd.)

	Particulars	ESOP 2000	ESOP 2004	ESOP 2006	ESOP 2010	ESOP-A	TML ESOP B 2013*	TML RSU*
	Vineet Nayyar	100,000	Nil			Nil	800,000	
	Chander Prakash Gurnani	100,000	Nil			Nil	800,000	
	Anupam Puri							15,000
	Bharat Doshi							15,000
	Ulhas Yargop							15,000
	M Damodaran							15,000
	M Rajyalakshmi Rao							15,000
	Ravindra Kulkarni							15,000
	T N Manoharan							15,000
(iii)	Identified employees who were granted option, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	Mr. Vineet Nayyar- 3,406,620 Mr. C.P Gurnani - 3,406,620 Mr Sanjay Kalra - 3,406,620 (since resigned with effect from 15th September, 2010).	Nil	Nil	Nil	Nil	Nil
k	Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20	₹ 112.41						

Annexure 'II' to the Directors' Report

Disclosure as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on March 31, 2014 (Contd.)

	Particulars	ESOP 2000	ESOP 2004	ESOP 2006	ESOP 2010	ESOP-A	TML ESOP B 2013*	TML RSU*
l	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed	The Company uses the intrinsic value based method of accounting for stock options granted after 1st April 2005. Had the compensation cost for the Company's stock based compensation plan been determined in the manner consistent with the fair value approach, the Company's net income would be lower by ₹ 254 Million and earnings per share (Basic) would have been ₹ 114.40						
m	Weighted average exercise price of Options granted during the year whose							
(i)	Exercise price equals market price	Nil	Nil	₹ 931.60	Nil	Nil	₹ 1486.56	Nil
(ii)	Exercise price is greater than market price	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(iii)	Exercise price is less than market price	₹ 10	Nil	Nil	₹ 10.00	₹ 120.00	₹ 10.00	₹ 10.00
n	Weighted average fair value price of Options granted during the year whose							
(i)	Exercise price equals market price	Nil	Nil	₹ 446.83	Nil	Nil	₹ 701.13	Nil
(ii)	Exercise price is greater than market price	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(iii)	Exercise price is less than market price	₹ 1786.58	Nil	Nil	₹ 883.61	₹ 1,462.51	₹ 1,777.43	₹ 1,555.54
o	A description of the method and assumptions used to estimate the fair value of options granted during the year.							
	The fair value has been calculated using the Black Scholes Option Pricing model. The assumptions used in the model are as follows :							

Annexure 'II' to the Directors' Report

Disclosure as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on March 31, 2014 (Contd.)

	Particulars	ESOP 2000	ESOP 2004	ESOP 2006	ESOP 2010	ESOP-A	TML ESOP B 2013*	TML RSU*
	1. Risk Free Interest Rate	8.46%	Nil	7.31%	7.22%	8.55%	8.53%	8.67%
	2. Expected Life (in years)	3.50	Nil	5.24	3.50	2.54	4.53	4.78
	3. Expected Volatility	32.47%	Nil	45.67%	35.00%	31.04%	37.05%	39.63%
	4. Expected Dividend	0.55%	Nil	0.58%	0.59%	0.55%	0.55%	0.55%
	5. Price of the underlying share in market at the time of the option grant (₹)	1828.65	Nil	920.46	909.85	1581.23	1811.34	1603.30

MANAGEMENT DISCUSSION AND ANALYSIS

Company Overview

Tech Mahindra Limited ("Tech Mahindra" or "TechM") represents the connected world; offering innovative and customer-centric information technology services and solutions, enabling Enterprises, Associates and the Society to Rise™.

Tech Mahindra Limited a specialist provider of connected solutions to the connected world was formed in year 1986, in partnership with British Telecommunications plc (BT), is part of the US $16.5 Billion Mahindra Group. It expanded its IT portfolio in the year 2009, by acquiring the leading global business and information technology services company, Satyam Computer Services Ltd (re-branded as Mahindra Satyam). In the month of March 2012, the merger between Tech Mahindra and Mahindra Satyam was announced thus making way for the creation of a Tier –1 organization in the Indian IT landscape. The Merger between Tech Mahindra Ltd and Mahindra Satyam became effective from 24th June 2013 with the Merged Entity shares (brand retained as Tech Mahindra Ltd) getting listed on 12th July 2013. The merger helped significantly to increase the scale of operations of the Company and diversify the revenues base while strengthening the Balance sheet and cash flows. For FY 2013-14, the merged entity revenue stood at US$ 3.1 Billion (₹ 188,314 Million), Profit from Operations of US$ 687 Million (₹ 41,837 Million), Profit after Tax of US$ 498 Million (₹ 30,288 Million) while the net cash in merged entity was US$ 540 Million (₹ 32,361 Million) as of 31st March 2014. Company has 89,400+ professionals across 51 countries, helping over 629 global customers including several Fortune 500 companies.

Tech Mahindra offers a full range of IT services and industry specific solutions to help clients take advantage of opportunities in spaces of Consulting, Enterprise and Telecom solutions, platforms and reusable assets which connect across a number of technologies to derive tangible business value. In its eventful journey spanning over two decades, TechM has transformed itself from being a 'Telecom-focused' to a 'business-centric' IT powerhouse. Today, TechM is ranked among the Top 5 IT service providers in India, and partners with several Fortune 100 companies to deliver outstanding solutions across industries. The company offers a bouquet of services which includes Telecom Services, Consulting, Application Outsourcing, Infrastructure Outsourcing, Engineering Services, BPO, Platform Solutions and Mobile Value Added Services. Tech Mahindra has an impeccable track record of delivery and strong alliances with leading technology and product vendors.

Tech Mahindra's positioning represents the new connected world, offering innovative and customer-centric services and solutions integrating technology with business, thereby enabling Enterprises, Associates and the Society to Rise™. With the entire universe converging onto a mobile screen of today's smart phones, Consumers are connected 24/7 to share their views, feedback, ideas and experiences. The Connectedness revolution is redefining the usability aspect of Internet and technology. By 2020, most people are expected to own an average of 7 connected devices. Shipments of these devices have already crossed one Billion figures. This has resulted in an evolution of a new world of possibilities with customers co-innovating, consumers sharing real-time feedback and innovative ideas, and market being driven by collaborative networking platforms. Industries are demanding more and more sophisticated technologies by the day, which would enable them to reduce costs, improve revenues, improve efficiency levels, better output, improve carbon footprints, management and control. Connectedness is spread across all industries whether it is Aerospace, Defence, Engineering, Automotive, Banking, Media and Entertainment, Governance, Telecom, Healthcare, Travel and Logistics, Retail, Energy, Pharmaceuticals, etc. Tech Mahindra provides solutions and services across verticals with a proven delivery record and expertise with its principal offices in the UK, United States, Germany, UAE, Egypt, Singapore, India, Thailand, Taiwan, Malaysia, Philippines, Canada and Australia. The Company has an extensive global foot print with 40 sales offices and 72 delivery centres in more than 51 countries around the world. It has 629 active client engagements.

Industry Structure & Development

The Information Technology (IT) – Business Process Management (BPM) industry in India is now a US$ 100 Billion + industry with NASSCOM estimating FY14 volume to be around ~US$ 118 Billion. The IT-BPM industry has not only gained a Global brand identity as a knowledge economy, but also has been the highest impact sector for the Indian Economy as per the Industry body - The National Association of Software and Services Companies (NASSCOM)

- The Indian IT Industry has been contributing ~8% to the India's national Gross Domestic Product (GDP).
- Has added approx 1,60,000 employees in FY 2014, thus emerging as largest private sector employer with over 3.1 Million direct and ~10 Million indirect employment.
- It has the largest share in the services sector in India viz around 38%
- Has been 4th largest Urban Women employer and
- The sector help's India offset almost half (45%) of its Oil import bill

According to NASSCOM, the IT–BPM sector in India had generated revenues of US$ 109 Billion in FY 2013. Exports have dominated the IT–BPM industry, and constituted about 70% of the total industry revenue. Though the IT–BPM sector is export driven, the domestic market is also significant with a robust revenue growth. The industry's share of total Indian exports (merchandise plus services) increased from less than 4% in FY1998 to about 25% in FY 2012.

Global IT spending recorded a growth of 4.5% in 2013. Packaged software, IT services and BPM continued to lead accounting for 55% of the total spend. Cloud based delivery models, virtualization and automation are some of the factors driving growth in the IT services segment. The adoption of SMAC technologies is expected to drive growth in all the segments.

In India, the IT and BPM sectors has accounted for ~90% of the incremental industrial growth. With its contribution to the country's exports, foreign exchange earnings and employment generation the sector has, it is one of the most significant growth catalysts for India. As a proportion of national GDP, the sector revenues have grown over to 8.1% in FY 2014. Exports are estimated to cross US$ 86 Billion during FY 2014, indicating a YoY growth of 13% with signs of recovery from the US and Euro zone and return of discretionary spending. IT services could record a growth of ~14% while BPM exports could record a growth of ~11.4% in FY15.

Domestic IT spends in India have been impacted upon political uncertainties, decline in manufacturing, slowdown in GDP growth, inflation, rupee volatility and lower foreign investment and is expected to grow ~10% in FY 2014. However, a rapidly growing economy, emergence of digital technologies, new business and pricing models tailored to meet specific needs of customers are driving adoption of IT in India. Technology has journeyed from hardware to enterprise software to SMAC. Going digital is the top priority to all the enterprises and India is emerging as one of the fastest growing digital economies. The Indian IT, BPM industry is transitioning to a different level through the advent of technology and extensive use of digitization. Emerging technologies are redefining the future of the IT industry. Social media, Mobility, Analytics and Cloud (SMAC) are redefining the traditional business models and offer the opportunity to shift to new digital ways of working.

India is a home for new breeds of start-up firms focused on high growth areas such as ecommerce and SMAC. These firms are creating new markets and driving innovation. These changing business models, emergence of new technologies, buyer segments and solutions for emerging markets will help India retain its position as the global sourcing leader and an emerging trustworthy innovation hub.

The year can be characterized as the year of rapid transition and transformation leading the industry to expanding into newer verticals and geographies, attracting new customers and transforming from technology partners to strategic business partners.

Outlook

Growth of Indian IT-BPM industry has a high correlation with the global economic growth especially with the developed regions of United States, UK and Europe. Global activity and world trade did see some pick up in the second half of Calendar Year (CY) 2013. The growth Momentum is expected to improve further in CY 2014 largely on account of recovery of advanced economies. Global growth is now projected to be slightly higher in CY 2014, at around 3.7%, rising to 3.9% in 2015, as predicted by World Economic Forum (WEF). United States is expected to be 2.8% in 2014, up from 1.9% in 2013. The growth in CY 2014 will be carried by firm domestic demand, supported in part by a reduction in the fiscal drag due to recent corrective steps of the government. The euro area is turning the corner from recession to recovery. Growth is projected to strengthen to 1% in 2014 and 1.4% in CY 2015, but the recovery may be uneven. Activity in the United Kingdom has been buoyed by easier credit conditions and increased confidence. Growth is expected to average 2.25% in 2014-15, but economic slack may remain high. Emerging markets and developing economies are expected to grow strongly at 5.5% in 2014.

As per Industry body NASSCOM; driven by an improvement in the global economic climate and rise in the technology spend, next year is expected to be optimistic for the Indian IT-BPM industry. In FY 2015, NASSCOM expects the industry to add overall revenues of USD 13-14 Billion to existing industry revenues of USD 118 Billion. Export revenues for FY 2015 are projected to grow by 13-15% to reach USD 97-99 Billion. Domestic revenues for the same period will grow at a rate of 9-12% and is expected to reach ₹ 1250 - 1280 Billion during this year. Strong buyers confidence, increased volumes for global outsourcing, better Global IT spends, Disruptive technologies, digitization and entrepreneurship is expected to fuel growth for Indian IT-BPM industry in FY 2015.

Gartner, one of world's leading information technology research and advisory company, in its recent forecast has stated that the global economy is showing signs of a gradual recovery and it expects the worldwide IT spending to total $3.8 trillion in CY 2014, a 3.2% increase from 2013 spending. The Gartner Worldwide IT Spending Forecast is the leading indicator of major technology trends across the hardware, software, IT services and telecom markets.

Opportunities

India with its US$ 118 Billion IT-BPM industry, remains the favoured global software services destination. The Country serves ~78 countries and has ~50 pan India delivery centres. The Flexible services model, low cost destination, a large multicultural and highly aspirational workforce and good technical and English speaking skill set have enabled India to continue to remain as preferred destinations for software services delivery with very little competition from any other country globally. Further Indian Companies have emerged as global players with a good portion of its delivery and workforce being global. Revival from US and European economies should help Indian IT industry to leverage opportunities not only in the traditional IT spends but also in to the new age spends focused on Digital Enterprise. Discretionary spends are expected to show improvement at back of improved outlook in FY 2015.

Tech Mahindra sees opportunities of growth at back of reviving global economies, better offshore IT spends in most industry verticals, on-going renewals cycles of IT Services spends, demand for "value for money" services, positive outlook on discretionary spends, adoption of Digital enterprises (SMAC) being the new imperative, acceptance of new business models and platforms, stronger balance-sheet size post-merger, cross selling opportunities in to wider client base, availability of qualified and skilled workforce etc thus auguring well for it.

Some of the other technological key growth drivers that are expected to open new opportunities for the industry are smart computing, anything-as-a-service, technology enablement in the emerging markets and the Small and Medium Businesses (SMB) market. SMBs are emerging as key stakeholders for India's IT, BPM industry are seeing rapid IT adoption. With the advent of cloud, the next big opportunity is India's SMBs. Emerging technologies like SMAC are leading to new possibilities for consumers, enterprises and technology firms. As these technology trends continue, firms are becoming more innovative and are looking to provide superior customer experience in the digital world. Key client investments and client spending will be driven by value, technology, innovation and cost optimization. Demand for System Integration (SI) and IT consulting driven by enterprises shifting to customer–centric solutions are seeking new growth avenues.

The industry continues to focus on integrating the 'global diversified workforce' into a localized environment, with an attempt of building expertise across multiple and specialized domains.

Risks

Some of key risks and risk mitigation strategy for Tech Mahindra have been highlighted below:

Key Risk	Impact of Risk	Mitigation / Strategy
High concentration in Telecom Vertical	For the Financial year 2013-14 (FY14); Telecom Vertical had a revenue share of ~47% to the total business. This is much higher compared to leading Indian and global IT peers of TechM. Also historically IT services spends in Telecom industry have been cyclical, resulting in to period of prolonged tepid spends. Post the global financial crisis in year 2008-2009 the IT spends cycle for the global Telecom industry have been on the tepid side increasing risk of growth for ~50% business going ahead.	• TechM has a Telecom DNA since it's formation as a JV with British Telecom in year 1986 and has leadership position in the telecom IT services companies from India. • Company until last year (before merger) had almost 100% revenue from Telecom vertical. Merger of Tech Mahindra (unmerged, 100% Telecom business company) with Mahindra Satyam in July 2013, has helped Tech Mahindra (the merged entity) diversify and halve its Telecom vertical revenue exposure. • The high concentration of Telecom vertical reflects Company's confidence, scale and leadership in the Telecom Vertical. • While the IT spends have been muted in the Global Telecom space, TechM has been able to grow ahead of the Telecom IT services industry's growth of comparable peers at back of its strategy of market share gain. • TechM is one of few Global IT companies which has a complete end-to-end span of services offering in the Telecom services space and company has been able to leverage its expertise and unique positioning in the Telecom Vertical helping it grow faster in this Vertical. • Company work with almost all leading Global Telecom Companies.
Global Economy Risk	TechM's export revenues are over 95% and it derives revenue ~46% revenue from US, ~33% from Europe and ~22% from Rest of World. The Economic growth activity in these nations could directly or indirectly impact IT spends by TechM's customers based in economies. A slowdown in these economies would pose lower growth or deferred IT spends thus impacting growth for TechM.	• TechM has been operating in Volatile business environment for almost three decades and its business model has evolved to deal with changes in the business and IT spend outlook of its Clients. • Offshoring and India as geography remains as a preferred destination for Global clients at back of its compelling value proposition across people and technology. • TechM's Telecom business has been growing while the IT services' spends in vertical has been flat or negative for past few years. • However severe adverse Global Economic activities risks can impact any IT Company, including Tech Mahindra and remains business risk akin to any services business.

Key Risk	Impact of Risk	Mitigation / Strategy
Regulatory Changes Risk	Company has operation in over 51 countries and its employees work onsite at client facilities and locations on visas granted for extended or short term work. Any changes in immigration laws or any local regulations can impact the profitability and growth.	• TechM has been in software services business for more almost three decades and has been complying with the local regulations. • Company has adequate and well defined business contingency plans to deal with the changing regulatory environment. • Company has delivery centres in overseas geographies including USA and has been hiring local employees. • TechM has been engaging with its clients on regular basis to discuss and deal with any critical regulatory issues which could have impact on its business.
M&A and Integration Risk	Company has an active M&A strategy. Company has acquired/ announced seven companies in past 2 years. M&A's and its integrations by nature involve risks relating to failure to achieve strategic objectives, financial loss, cultural and financial integration etc.	• TechM needs to further strengthen its competency/ services portfolio, verticals and client/geography access as compared to its larger peer group. • Acquisitions and M&A's have not been new to the Company. • TechM has a well laid out and defined M&A plan and acquisition policy. • TechM has a dedicated and focused professional team led by Top Management. • Company follows very stringent internal benchmark for its acquisition's and deals are evaluated by the Competent board. • Managements experience with all its acquisitions done until now has been quite satisfactory and in-line with its expectations.
Competition Risk	IT services industry is highly competitive globally with completion arising across from Indian IT companies, MNC IT services Companies having sizable present in low cost geographies, deep pockets and client relationships, Local IT companies, in house and Captives services companies etc. The stiff competition can lead to pressure on pricing, vendor consolidation and therefore can impact company growth and profitability.	• IT services companies including Tech Mahindra have been operating under competitive environment for several years. • Tech Mahindra not only been able to become competitive from a multiple services and competency perspective but also has been able to move upwards in the IT services value chain. • Company has deep domain knowledge, skilled workforce, delivery capabilities and efficient sales force and relationship managers to help retain its competitive positioning amongst peers.

Key Risk	Impact of Risk	Mitigation / Strategy
Technology Risk	Digitalization is emerging as a disruptive forces for customers, buyers and technology, technology coupled with changes in delivery models and consumer spending patterns could be threat on the growth in traditional IT spends and technology obsolence.	• TechM has been a specialist provider of connected solutions to the connected world which is possible through leveraging of technology. • Has been investing in competencies required for Digital enterprise. • It has identifies five technology areas of focus as part of its vision. The Digital Services portfolio of TechM is called NMACS – representation for Network, Mobility, Analytics, Cloud, and Security, Social Media & Sensors. • NMACS is an integrated technology strategy to enable business transformation for TechM customers. • Company invests in to centre of excellence. • TechM provides ample opportunities to its employees through internal and external training on technology and domain skill upgrades.
Employee Related / Supply Side Risks	IT being a manpower driven services industry will be associated with supply side risks on availability of talented pool of people, domain and technology experts. Also attracting talented people and attrition remains a risk.	• Company has strong in-house and external Training curriculum abreast with latest technology and soft skills. • Has been engaging employees across location and regions though various employee friendly initiatives. • Has been diversifying its fresher talent pools by recruiting science graduates, diploma holders and certified skilled undergrads, while increased hiring of local people in onsite locations. • TechM has a comparable remuneration structure, matured HR process and various initiatives. • Company provides opportunity to all of its employees and conducts various program for employee enhancement and growth like the Global Leadership Cadre (GLC), young CEO program, shadow board etc.
Currency Risks	The exchange rate of TechM's major billing currencies like the British Pound, the U.S. Dollar, Euro and AUD has fluctuated widely in the recent past against Indian Rupees, the principal reporting currency for TechM and these may continue to fluctuate significantly in the future. Thus resulting in wide fluctuation in not only revenues but also forex losses and gains and adverse currency impact which could have an impact on Company's profitability.	• TechM hedges its receivables. • It has a board approved effective hedging policy for past several years. • Large portion of company's expenses are in currency which provides as natural hedge. • Company has a dedicated Treasury department which seeks advice from Expert professionals and banks helping it in its hedging decisions.

Discussion on Financial Performance with respect to Operational Performance:

Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India.

The Consolidated financial statements have been prepared in compliance with the Accounting Standard AS 21 and AS 23 issued by the Institute of Chartered Accountants of India (ICAI).

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 became effective from 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.

Results for the previous year ended 31st March 2013 are for Tech Mahindra Limited before the merger and results for the current year ended 31st March 2014 include result of merged entities as mentioned above and hence the same are not comparable.

The discussion on financial performance in the Management Discussion and Analysis relate primarily to the standalone accounts of Tech Mahindra Limited. Wherever it is appropriate, information pertaining to merged consolidated accounts for Tech Mahindra Limited & its subsidiaries is provided for current year and previous year. For purpose of comparison with other firms in this industry as well as to see the positioning and impact that Tech Mahindra Limited has in the marketplace, it is essential to take the figures as reflected in the Consolidated Financial Statements.

A. STANDALONE FINANCIAL POSITION

1. Share Capital

The authorized share capital of the Company is ₹ 6,191 Million, divided into 619,100,000 equity shares of ₹ 10 each. The paid up share capital stands at ₹ 2,335 Million as on 31st March 2014 compared to ₹ 1,281 Million as on 31st March 2013. The increase in paid up capital during the year is due to issue of 103,485,396 shares on account of amalgamation (₹ 1,035 Million) of Satyam Computer Services Limited and other subsidiaries as mentioned above and conversion of options into shares (₹ 19 Million) by employees under Employee Stock Option Plan.

2. Reserves and Surplus

a) Securities Premium Account

The addition to the securities premium account of ₹ 24,941 Million during the year is due to the amalgamation (₹ 24,302 Million) and premium received on issue of 1,868,467 equity shares on exercise of options under various stock option plans.

b) General Reserve

General reserve stands at ₹ 12,353 Million as on 31st March 2014 as compared to ₹ 6,451 Million as on 31st March 2013. The addition of ₹ 902 Million to General Reserve is on account of amalgamation and ₹ 5,000 Million transferred from Statement of Profit & Loss.

c) Surplus in Statement of Profit and Loss

The balance retained in the Statement of Profit and Loss as of 31st March 2014 is ₹ 43,856 Million compared to ₹ 27,495 Million as of 31st March 2013.

3. Borrowings

Borrowings as on 31st March 2014 stand at ₹ 3,092 Million including ₹ 50 Million of long term borrowings and ₹ 3,042 Million short term borrowings compared to ₹ 11,045 Million including ₹ 3,000 Million of long term borrowings and ₹ 8,045 Million short term borrowings as on 31st March 2013.

4. Fixed Assets

The movement in Fixed Assets is shown in the table below:

₹ in Million

As of 31st March	2014	2013
Gross Book Value		
Land - free-hold	787	175
- lease-hold	1,152	678
Buildings	13,507	5,358
Leasehold Improvements	1,035	758
Plant and Equipments	10,188	3,074
Plant & Equipments - Leased	167	-
Computers	7,936	2,833
Office Equipments	976	552
Furniture and fixtures	4,644	2,048
Vehicles-Finance – Leased	154	-
Vehicles – Owned	217	48
Intangible assets	1,700	275
Total	**42,463**	**15,799**
Less: Accumulated depreciation & amortization	24,127	8,598
Net block	**18,336**	**7,201**
Add: Capital work-in-progress	2,640	284
Net fixed assets	**20,976**	**7,485**

The Net Block of Fixed Assets and Capital Work in Progress stands at ₹ 20,976 Million as on 31st March 2014, as against ₹ 7,485 Million as on 31st March 2013. During the year, the Company incurred capital expenditure (gross) of ₹ 7,108 Million (previous year ₹ 2,263 Million). The major items of Capital Expenditure included Office building, Plant and Machinery, Computer equipment & Software and Furniture & Fixtures.

5. Investments

The summary of Company's investments is given below:

₹ in Million

Investments	As at 31st March 2014	As at 31st March 2013
Investment in Subsidiaries	17,464	38,421
Investment (others)	12,562	93
Total Investments	**30,026**	**38,514**
Less : Provision for diminution of value	7,086	439
Net Investments	**22,940**	**38,075**

The Net investments as on 31st March 2014 stands at ₹ 22,940 Million, as against ₹ 38,075 Million as on 31st March 2013. During the year, Investment in Subsidiaries reduced to ₹ 17,464 Million as on 31st March 2014 as against ₹ 38,421 Million as on 31st March 2013 and other investment increased to ₹ 12,562 Million as on 31st March 2014 as against ₹ 93 Million as on 31st March 2013 due to amalgamation of Satyam Computer Services Limited, Venturbay, CanvasM, Logisoft and C&S with Tech Mahindra Limited during the current financial year.

Other investment includes interest in TML benefit trust and treasury bonds and bills.

I. Investment in Subsidiaries

The Company had investment in the following major subsidiaries:

a) Tech Mahindra (Americas) Inc. (TAI)

TAI was incorporated in November 1993 to provide marketing support services for the USA and Canada region. It acts as a service provider for sales, marketing, onsite software development and other related services.

b) Tech Mahindra GmbH

Tech Mahindra GmbH was established in July 2001 to provide marketing support in central Europe region.

c) Tech Mahindra (Nigeria) Limited

Tech Mahindra (Nigeria) Limited was incorporated in August 2009 as Tech Mahindra's representative in Nigeria. It acts as a service provider for sales marketing, onsite software development and other related services.

d) Tech Mahindra Business Services Limited (TMBSL)

TMBSL, erstwhile Hutchison Global Services Ltd., is a wholly owned subsidiary of TML acquired in September 2012. TMBSL is one of India's largest international telecom BPOs. It is a leading provider of solutions and services to the telecommunications industry and provides end-to-end CRM (Customer Relationship Management) solutions for the advanced 3G (3rd Generation) network in the UK and Ireland, as well as Vodafone in Australia.

e) Comviva Technologies Limited (Mahindra Comviva)

Your company acquired 51% stake on a fully diluted basis in Mahindra Comviva, a Bharti Group Company, in December 2012. Mahindra Comviva is a global leader in providing mobile Value Added Services (VAS), Mobile Money and Mobile Payment solutions. It has an extensive portfolio of solutions spanning mobile money and payments, mobile data, integrated messaging, mobile lifestyle and customer life cycle management solutions. Comviva's solutions are deployed with over 130 service providers and banks in over 90 countries across Asia, Africa, Middle East, Latin America and Europe, and powers services to more than a Billion mobile subscribers. As on 31st March 2014, TML holds 67.12% of the paid-up Equity Capital of Mahindra Comviva.

f) Tech Mahindra BPO Limited (TMBL)

Tech Mahindra BPO Limited (TMBL) has been established in the year 2002, as wholly owned subsidiary of erstwhile Mahindra Satyam, to provide business process outsourcing services to various global clientele. In the year 2013, consequent to the merger of Mahindra Satyam with Tech Mahindra, it has become wholly owned subsidiary of Tech Mahindra. Presently TMBL engaged in providing integrated outsourced solutions across the full value stream of customer lifecycle, back office lifecycle management services and platform solutions to over 70 clients in Telecom, Healthcare & Life sciences, Retail, High Tech/Manufacturing and Banking Financial Services & Insurance domains in multiple channels (Voice, Email, Chat & Social Media) & multiple languages (33+ languages) from 26 delivery centers globally.

g) Complex IT Solutions Consultoria EM Informatica S.A.

The Company has acquired 51% stake during year 2013 in Complex IT Solutions Consultoria EM Informatica S.A.

h) Bridge Strategy Group LLC

Erstwhile SCSL acquired Bridge Strategy Group LLC in January, 2008. Effective 23rd December 2013 the ownership interest in BRIDGE was sold.

During the current financial year, Company had made investment in the following major subsidiaries:

a) Satyam Computer Services (Nanjing) Co. Ltd

Satyam Computer Services (Nanjing) Co. Ltd was established in 2007 as wholly owned foreign enterprise in Nanjing, as a Global Solution Center to cater to the outsourcing needs of global clients in the region as an alternate development center. Consequent to the merger of Mahindra Satyam with Tech Mahindra, it has become subsidiary of Tech Mahindra. It acts as a service provider of IT services for Global customers. During the year ended 31st March 2014, Tech Mahindra has invested an additional amount of ₹ 41 Million in the equity of the company.

b) Tech Mahindra Servicos De Informatica Ltda (Erstwhile SATYAM SERVIÇOS DE INFORMÁTICA LTDA)

This Company was incorporated in January, 2008. The name of the company changed from SATYAM SERVIÇOS DE INFORMÁTICA LTDA to Tech Mahindra Servicos De Informatica Ltda. During the year ended 31st March 2014, Tech Mahindra has invested an additional amount of ₹ 489 Million in the equity of the company.

c) Mahindra Educational Institutions (MEI)

Mahindra Educational Institutions (MEI) was formed in the year 2013 under Section 25 of the Companies Act, 1956 as a 100% subsidiary of erstwhile Mahindra Satyam. Consequent to the merger of Mahindra Satyam with Tech Mahindra, it has become wholly owned subsidiary of Tech Mahindra. MEI was formed for the cause of promoting quality higher education by establishing institutions of higher learning, encourage education and research work in different disciplines and to promote innovation and technology development.

d) Tech Mahindra IPR Inc (TII)

During the year ended 31st March 2014 Tech Mahindra (Americas) Inc. has incorporated TII in December, 2013, to carry on the business of purchasing, conceiving, creating, improving, marketing, selling, delivering, producing and supplying software products for policy administration and for other purposes. However, neither any investment has been made by its parent company in the said subsidiary as at 31st March 2014 nor has it commenced its operations.

e) Tech Mahindra ICT Services (Malaysia) Sdn. Bhd.

During the year ended 31st March 2014 the company has incorporated a new subsidiary in Malaysia namely Tech Mahindra ICT Services (Malaysia) SDN. BHD (TechM Malaysia ICT) for providing Telecommunications, Computer Networks, Technology Infrastructure, IT Infrastructure Services, Data Center Operations, Engineering Services, Business Process Outsourcing (BPO), Knowledge Process Outsourcing (KPO) and infused equity share capital of MYR 0.65 Million (₹ 12 Million) in the said entity.

II. Investment in liquid mutual funds

Investments in liquid mutual funds as at 31st March 2014 was NIL (previous year NIL) as surplus funds were mainly invested in bank fixed deposits.

6. Deferred Tax Asset

Deferred tax asset as at 31st March 2014 was at ₹ 3,109 Million as compared to ₹ 944 Million as of 31st March 2013. Deferred tax assets represent timing differences in the financial and tax books arising from depreciation of assets, provision for debtors and leave encashment & gratuity. The Company assesses the likelihood that the deferred tax asset will be recovered from future taxable income before carrying it as an asset.

7. Trade Receivables

Trade Receivables increased to ₹ 39,278 Million (net of provision for doubtful debts amounting to ₹ 3,016 Million) as of 31st March 2014 from ₹ 13,725 Million (net of provision for doubtful debts amounting to ₹ 561 Million) as of 31st March 2013. Debtor days as of 31st March 2014 (calculated based on per-day sales in the last quarter) were 99 days, compared to 94 days as of 31st March 2013.

8. Cash and Bank Balance

The bank balances include both Rupee accounts and foreign currency accounts. The bank balances in overseas current accounts are maintained to meet the expenditure of the overseas branches and overseas project-related expenditure.

₹ in Million

As of 31st March	**2014**	**2013**
Bank balances in India & Overseas		
- Current accounts	15,374	2,693
- Deposit accounts	12,889	18
Total cash and bank balances*	28,263	2,711

* Including unrealised (gain) / loss on foreign currency.

9. Loans and Advances

Loans and advances as on 31st March 2014 were ₹ 22,886 Million compared to ₹ 7,806 Million as on 31st March 2013. Significant items of loans and advances include payments towards rent/ lease deposits, finance lease receivables, amounts deposited and held in escrow accounts for settlement consideration of Aberdeen UK & US and class action on erstwhile Satyam Computer Services Ltd., Service Tax refund receivable and advance income tax.

10. Liabilities and Provisions

Liabilities and provisions were ₹ 46,095 Million as of 31st March 2014 including long term liabilities and provision of ₹ 6,944 Million and short term / current liabilities and provisions of ₹ 39,151 Million compared to ₹ 16,712 Million including long term liabilities and provision of ₹ 3,962 Million and short term / current liabilities and provisions of ₹ 12,750 Million as of 31st March 2013.

B. RESULTS OF OPERATIONS

Results for the previous year ended 31st March 2013 are for Tech Mahindra Limited before the merger and results for the current year ended 31st March 2014 include result of merged entities as mentioned above and hence the same are not comparable.

The following table sets forth certain income statement items as well as these items as a percentage of our total income for the periods indicated:

Particulars	Fiscal 2014		Fiscal 2013	
	₹ (In Million)	% of Total Income	₹ (In Million)	% of Total Income
INCOME				
Revenue from Services	162,951		60,019	
Other Income	703		(952)	
Total Income	163,654	100.00%	59,067	100.00%
EXPENDITURE				
Personnel Cost	69,715	42.60%	25,138	42.56%
Subcontracting Expenses	34,012	20.78%	15,524	26.28%
Operating and Other Expenses	23,611	14.43%	7,573	12.82%
Depreciation	4,270	2.61%	1,570	2.66%
Interest	868	0.53%	1,090	1.85%
Total Expenditure	132,476	80.95%	50,895	86.16%
Profit before tax and exceptional item	31,178	19.05%	8,172	13.84%
Provision for Taxation (Net)	5,523		1,647	
Profit after taxation and before exceptional item	25,655	15.68%	6,525	11.05%
Exceptional item	1,200		-	
Net profit for the year	**26,855**	**16.41%**	**6,525**	**11.05%**

1. **Revenue**

   The Company derives revenue principally from technology services provided to clients from various industries.

   The revenue increased to ₹ 162,951 Million in fiscal year 2014 from ₹ 60,019 Million in fiscal year 2013. The increase in revenue in current year is mainly due to amalgamation in addition to increase in number of clients served during the respective years as well as increase in amount of business from these clients and currency benefit.

   Consolidated Revenue

   Consolidated Revenue for the merged entity for fiscal 2014 stood at ₹ 188,314 Million compared to ₹ 143,320 Million last fiscal, a growth of 31.4%.

   Consolidated revenue by Geography

   Revenue from the Americas was 45% in fiscal 2014 compared to 44% in fiscal 2013 while the share of revenue attributable to the Rest of the World (including India) segment was 23% in fiscal 2014 compared to 22% in the previous year. Revenue from Europe as a percentage of total revenue was 32% in fiscal 2014 compared to 34% in fiscal 2013.

   Consolidated Revenue by Segment

   For fiscal 2014, 90% of revenue came from IT sector, whereas 10% of revenue came from BPO sector. The revenue share for fiscal 2013 from IT & BPO sector was 91% & 9% respectively.

2. **Other Income**

   Other income includes interest income, dividend income, foreign exchange gain/loss and sundry balances/provisions written back.

   Interest income mainly consists of interest received on bank deposits. Dividend income includes dividend received on long term investments as well as that received on current investments. Exchange gain/loss consists of mark to market gain/loss on ineffective hedges, realized gain/loss and revaluation gain/loss on translation of foreign currency assets and liabilities. Other income is at ₹ 703 Million in fiscal 2014 compared to ₹ (952) Million in fiscal 2013. Other income for merged consolidated entity is ₹ 1,130 Million compared to ₹ 2,122 Million in fiscal 2013.

3. Expenditure

Particulars	Fiscal 2014		Fiscal 2013	
	₹ (In Million)	% of Total Income	₹ (In Million)	% of Total Income
Personnel Cost	69,715	42.60%	25,138	42.56%
Subcontracting Expenses	34,012	20.78%	15,524	26.28%
Operating and Other Expenses	23,611	14.43%	7,573	12.82%
Depreciation	4,270	2.61%	1,570	2.66%
Interest	868	0.53%	1,090	1.85%
Total Expenses	**132,476**	**80.95%**	**50,895**	**86.16%**

Personnel cost includes salaries, wages and bonus, allowances paid to associates deputed outside India, contribution to provident fund and other funds and staff welfare costs. The increase in personnel cost in absolute value is mainly due to increase in headcount and annual increments. Subcontracting expenses include cost of direct contractors and agency contractors to support current and future business growth.

Operating and other expenses mainly include Travelling expenses, Rent, Repairs and Maintenance, Communication expenses, Office establishment costs, Software Packages and Professional fees. The reduction is due to various cost optimization measures undertaken during the year.

Increase in depreciation is mainly due to increase in investment in infrastructure and equipment to service our growing business.

The Company incurred interest expense of ₹ 868 Million in fiscal 2014 as compared to ₹ 1,090 Million in fiscal 2013.

4. Profit before tax

Profit before tax and exceptional items was ₹ 31,178 Million in fiscal 2014 compared to ₹ 8,172 Million in fiscal 2013. Profit before tax as a percentage of total income was 19.1% in fiscal 2014 compared to 13.6% in fiscal 2013.

5. Income taxes

The provision for income tax for the year ended 31st March 2014 was ₹ 5,523 Million and ₹ 1,647 Million in the previous year. The effective tax rate in these years was 24.1% and 20.2% respectively.

6. Profit after tax

Profit after tax was ₹ 26,855 Million in fiscal 2014 and ₹ 6,525 Million in fiscal 2013. Profit after tax as a percentage of revenue was 16.41% in fiscal 2014 and 11.05% in fiscal 2013.

Consolidated PAT

Consolidated PAT of merged entity for the fiscal 2014 was ₹ 30,288 Million compared to ₹ 19,556 Million last fiscal 2013. PAT as a percentage of revenue was 16.1% in fiscal 2014 compared to 13.6% in fiscal 2013.

C. CASH FLOW

₹ in Million

Particulars	Fiscal Year	
	2014	**2013**
Net cash flow from operating activities*	12,942	6,421
Net cash flow from (used in) investing activities	(4,550)	(5,954)
Net cash flow from (used in) financing activities	(9,174)	889
Cash and cash equivalents at the beginning of the year	2,703	1,347
Increase in cash & cash equivalent on Amalgamation	20,964	-
Cash and cash equivalents at the end of the year	22,885	2,703

* Excludes unrealized gain/(loss) on foreign currency

D. Internal Control Systems

The Company maintains adequate internal control system, which provides, among other things, reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against significant misuse or loss of Company's assets. The company uses an Enterprise Resource Planning (ERP) package, which enhances the internal control mechanism.

E. Material developments in human resources including number of people employed

FY14 witnessed the much awaited merger between Tech Mahindra Ltd and Satyam computer services limited and other subsidiaries which was consummated on 24th June 2013. The merger has resulted in creation of 5th largest Indian IT services Company with workforce of over 89,400 people as of 31st March 2014. During the year Merged Company (brand retained as Tech Mahindra Ltd) saw net addition of 6,333 professionals through campus recruitment and lateral just-in-time hiring. The global headcount of the company as on 31st March 2013 was 83,109 compared to 89,441 as on 31st March 2014. The Company used various sources for attracting talent during the year. It hired Engineering Graduates and Science Graduates for technical positions whereas MBAs were recruited from premier management institutes such as IIMs, ISB and XLRI etc to be groomed for future leadership positions.

The IT attrition was 18% during the year as compared to 16% in the previous year. The Company has been working towards containing the attrition rate by continuously investing in learning and development programs for associates, competitive compensation, creating a compelling work environment, empowering associates at all levels as well as a well-structured reward and recognition mechanism.

Cautionary Statement

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control.

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Your Company believes that Corporate Governance is a set of guidelines to help fulfil its responsibilities to all its stakeholders. It is a reflection of the company's culture, policies, relationship with stakeholders, commitment to values and ethical business conduct. In the same spirit, timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company is an important part of your company's corporate governance.

II. BOARD OF DIRECTORS:

Your Company has a balanced mix of eminent executive, non-executive and independent directors on the Board. The total strength of the Board of Directors is ten directors. The Board consists of 5 Independent Directors, 3 Non-Executive Directors and 2 Executive Directors. The Chairman of the Board is a Non-executive, who is an eminent professional and belongs to the Promoter Group.

During the year 2013-14, seven meetings of the Board of Directors were held on 21st May 2013, 25th June 2013, 12th August 2013, 26th September 2013, 7th November 2013, 29th November 2013 and 4th February 2014.

Every quarter, Independent Directors had exclusive meeting among themselves.

None of the Directors on the Board is a member in more than 10 committees or acts as a Chairman of more than 5 committees across all companies in which he is a director. The directors of the Company are not inter se related.

The names and categories of the Directors on the Board, their attendance at the Board and the Annual General Meeting held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies as on 31st March, 2014 are given below:

Sr. No.	Name	Category	No. of Board Meetings attended (Held =7)	Attendance at the AGM held on 26th September 2013	Directorship in other Companies[1]	No. of Committee positions held in other public companies[2]	
						As Chairman	As Member
1.	Mr. Anand G. Mahindra	Non-Executive Chairman	6	Yes	7	Nil	1
2.	Hon. Akash Paul[3]	Non-Executive, Independent	1	No	Nil	Nil	Nil
3.	Mr. Anupam Puri	Non-Executive, Independent	6*	No	3	Nil	1
4.	Mr. Bharat N. Doshi	Non-Executive	7**	Yes	6	1	2
5.	Mr. B. H. Wani[3]	Non-Executive, Independent	2	No	Nil	Nil	Nil
6.	Mr. C. P. Gurnani	Managing Director	6	Yes	3	Nil	Nil
7.	Mr. M. Damodaran	Non-Executive, Independent	5	Yes	9	1	6
8.	Mrs. M. Rajyalakshmi Rao[4]	Non-Executive, Independent	5	Yes	2	Nil	Nil
9.	Mr. Paul Zuckerman[5]	Non-Executive, Independent	2	No	2	Nil	1
10.	Dr. Raj Reddy[3]	Non-Executive, Independent	2**	No	Nil	Nil	Nil
11.	Mr. Ravindra Kulkarni	Non-Executive, Independent	6	Yes	8	2	4
12.	Mr. T. N. Manoharan[4]	Non-Executive, Independent	5	Yes	2	Nil	1
13.	Mr. Ulhas N. Yargop	Non-Executive	7	Yes	3	2	1
14.	Mr. Vineet Nayyar	Executive Vice Chairman	7**	Yes	6	Nil	Nil

[1] Does not include private companies, foreign companies and companies under Section 25 of the Companies Act, 1956.
[2] Represents Audit Committee and Investor Grievances-Cum-Share Transfer Committee in public companies, excluding that of Tech Mahindra Limited.
[3] Resigned w.e.f 1st July 2013.
[4] Co opted as additional director on 1st July, 2013 and appointed as director at AGM held on 26th September 2013.
[5] Opted not to get reappointed at the AGM held on 26th September 2013.
(*) Includes two meetings attended through Teleconference.
(**) Includes one meeting attended through Teleconference.

Directors seeking re-appointment: Mr. Ulhas N. Yargop retires by rotation and being eligible, has offered himself for re-appointment. As required by Clause 49 (G) (i) of the Listing Agreement, details of Directors seeking re-appointment / appointment are forming part of the notice of 27th Annual General Meeting.

CEO / CFO Certification

As required under Clause 49 V of the Listing Agreement with the Stock Exchanges, a Certificate on the Financial Statements for the financial year ended on 31st March, 2014 has been given to the Board of Directors by the Managing Director and the Chief Financial Officer of the Company.

CODE OF ETHICAL BUSINESS CONDUCT

All the Directors and Senior Managerial Personnel have affirmed compliance with the Code of Ethical Business Conduct as approved and adopted by the Board of Directors and a declaration to that effect signed by the Managing Director is attached and forms part of this report. The Code has been posted on the Company's website - www.techmahindra.com

PROHIBITION OF INSIDER TRADING

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992, (as amended from time to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a policy for Prohibition of Insider Trading for Directors and specified employees of the Company. This policy also provides for periodical disclosures from designated employees as well as pre-clearance of transactions by such persons.

WHISTLE BLOWER POLICY

Your Company has a Whistle Blower Policy in place. In terms of this policy, all employees are encouraged to report any instance of unethical behaviour, fraud, violation of the Company's Code of Conduct or any behaviour which may otherwise be inappropriate and harmful to the Company. The policy provides a mechanism for employees to raise concerns that relate to violation of the Code of Conduct, Accounting, Internal Controls, Auditing Matters and applicable national and international laws including statutory / regulatory rules and regulations. This policy has been communicated to all employees and has been posted on the Company's Intranet and website for ready access. An ombudsman has been appointed to enable employees and other stakeholders to report instances mentioned above. A dedicated telephone line has also been provided to facilitate the employees for informing their concerns.

III. RISK MANAGEMENT:

Your Company has a well-defined risk management framework in place. The risk management framework adopted by the Company is discussed in detail in the Management Discussion and Analysis section of this Annual Report. Your Company has established procedures to periodically place before the Board, the risk assessment and minimization procedures being followed by the Company and steps taken by it to mitigate these risks.

IV. COMMITTEES OF THE BOARD:

In compliance with the Listing Agreement, the Board has constituted a set of committees (both mandatory and non-mandatory) with specific terms of reference and scope. The details of the committees constituted by the Board are given below:

A. AUDIT COMMITTEE:

The Audit Committee of the Board of Directors has been constituted in line with the provisions of Section 292A of the Companies Act, 1956, read with Clause 49 of the Listing Agreement. The Committee meets at least four times a year and the maximum gap between two meetings is not more than four months.

1. The composition of the Audit Committee and particulars of meetings attended by the members are given below:

   Five meetings of the Audit Committee were held during the Financial Year 2013-14. The meetings were held on 21st May 2013, 11th August 2013, 7th November 2013, 29th November 2013 and 4th February 2014. Mr. G. Jayaraman, Company Secretary is the Secretary to the Committee.

   The details of the number of Audit Committee meetings attended by its members are given below:

Name	Category	Number of Audit Committee meetings attended (Held = 5)
Mr. T. N. Manoharan	Chairman*, Non-Executive, Independent	3
Mr. M. Damodaran	Chairman**, Non-Executive, Independent	4
Mr. Anupam Puri	Non-Executive, Independent	4
Mr. Paul Zuckerman (Upto 26th September 2013)	Non-Executive, Independent	2
Dr. Raj Reddy (Upto 1st July 2013)	Non-Executive, Independent	1
Mr. Ulhas N. Yargop	Non-Executive	5

   (*) Member of the Committee w.e.f. August 12, 2013 and appointed as Chairman w.e.f. 26th September, 2013.
   (**) Chairman till 26th September 2013 and member thereafter.

   The necessary quorum was present at all the meetings.

2. **Brief terms of reference:**

   The terms of reference of this Committee are very wide. Besides having access to all the required information within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. It is authorized to select accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters. The Committee is empowered to review the remuneration payable to the Statutory Auditors and to recommend a change in Auditors, if felt necessary. It is also empowered to review Financial Statements and investments of unlisted subsidiary companies, Management Discussion & Analysis and material individual transactions with related parties. All items listed in Clause 49 II (D) of the Listing Agreement are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Clause 49 II (C).

   The Meetings of the Audit Committee are, generally, also attended by the Executive Vice Chairman, Managing Director, Chief Financial Officer (CFO), the Statutory Auditors and the Internal Auditors. The Company Secretary is the Secretary to the Committee.

   Mr. M. Damodaran, then Chairman of the Audit Committee, was present at the Annual General Meeting of the Company held on 26th September, 2013.

   The Audit Committee periodically meets with statutory auditors without the presence of management.

B. COMPENSATION AND NOMINATIONS COMMITTEE:

1. The composition of the Compensation and Nominations Committee and particulars of meetings attended by the members are given below:

   Five meetings of the Compensation and Nominations Committee were held during the Financial Year 2013-14. The meetings were held on 21st May 2013, 12th August 2013, 7th November 2013, 29th November 2013 and 4th February 2014. Mr. G. Jayaraman, Company Secretary is the Secretary to the Committee. The details of the number of Compensation and Nominations Committee meetings attended by its members are given below:

Name	Category	Number of Compensation & Nominations Committee meetings attended (Held = 5)
Mr. Ravindra Kulkarni	Chairman, Non-Executive Independent	5
Mr. Anupam Puri	Non-Executive Independent	4
Mr. Paul Zuckerman (upto 26th Sept 2013)	Non-Executive Independent	2
Mr. Ulhas N. Yargop	Non-Executive	5

The necessary quorum was present at all the meetings.

2. **Brief terms of reference:**

The terms of reference of the Compensation and Nominations Committee include determining the terms and conditions including the remuneration payable to Executive Vice Chairman and Managing Director of the Company as well as reviewing the Employee Stock Option Plans (ESOPs) of the Company. The Committee also decides on the performance bonus to Executive Directors based on the individual's performance as well as that of the Company.

3. **Remuneration Policy:**

While deciding on the remuneration for Directors, the Board and Compensation & Nominations Committee consider the performance of the Company, the current trends in the industry, the director's participation in Board and Committee meetings during the year and other relevant factors.

4. **Compensation of Directors:**

i. **Remuneration to Non-Executive Directors:**

Your Company's Non-Executive Directors are entitled to commission and actual expenses for attending the Board / Committee meetings.

The eligible Non-Executive Directors are paid commission within the overall ceiling approved by the Shareholders. A commission of ₹ 38 Million has been provided as payable to the eligible Non-Executive Directors in the accounts of the year under review. The said commission will be paid after approval of the Financial Statements in the Annual General Meeting. The details of the stock options granted during the year to the Non-Executive Directors and the commission of ₹ 19.63 Million (provided in the accounts for the year ended 31st March 2013), paid to them during the year under review are as under:

Sr. No.	Name	Commission for FY 2012-13 paid during the year (Amount in ₹)	Stock Options Granted during FY 2013-14
1	Hon. Akash Paul	2,463,930	NA
2	Mr. Anupam Puri	2,463,930	15,000
3	Mr. B. H. Wani	2,463,930	NA
4	Mr. M. Damodaran	2,463,930	15,000
5	Mr. Paul Zuckerman	2,381,799	NA
6	Dr. Raj Reddy	2,463,930	NA
7	Mr. Ravindra Kulkarni	2,463,930	15,000
8	Mr. Ulhas N. Yargop	2,463,930	15,000
9	Mr. Bharat N. Doshi	NA	15,000
10	Mr. T. N. Manoharan	NA	15,000
11	Mrs. M. Rajyalakshmi Rao	NA	15,000
	Total	**19,629,309**	**1,05,000**

The Options granted to Non executive directors during the year will vest equally over three years.

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration that these Directors would be entitled under the Companies Act, 1956 as Non-Executive Directors, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiaries and Associates which in their judgment would affect their independence.

ii. Remuneration paid to Executive Vice Chairman & Managing Director for the year ended 31st March 2014:

Following is the remuneration paid to the Executive Vice Chairman & Managing Director during the year ended 31st March 2014:

(₹ in Million)

Name	Salary & allowances (₹)	Company's contribution to Provident Fund (₹)	Commission/ Performance pay (₹)	Total (₹)	Contract Period	No. of options granted till date
Mr. Vineet Nayyar, Executive Vice Chairman	24.52	1.21	10.80	36.53	Re-appointed from 10th August 2012 for 3 years	ESOP 2004 - 3,406,620 ESOP 2010 - 800,000
						TML ESOP - B 2013 - 800,000
						ESOP 2000 - 100,000
Mr. C. P. Gurnani, Managing Director	17.58	0.81	4.62	23.01	Appointed from 10th August 2012 for 5 years	ESOP 2004 - 3,406,620 ESOP 2010 - 800,000
						TML ESOP - B 2013 - 800,000
						ESOP 2000 - 100,000

5. Details of Equity Shares of the Company held by the Directors as on 31st March 2014 are as given below:

Sr. No.	Name	No. of Shares held	% to total paid-up Capital
1.	Mr. Anand G. Mahindra+	47,138	0.02
2.	Mr. Vineet Nayyar+	5,00,000	0.21
3.	Mr. C. P. Gurnani	4,58,245	0.20
4.	Mr. Bharat N. Doshi+	17,831	0.01
5.	Mr. M. Damodaran	20,000	0.01
6.	Mr. Ravindra Kulkarni+	1,037	0.00
7.	Mr. Ulhas N. Yargop+	38,340	0.01
	Total	**1,082,591**	**0.46**

+ Held jointly.

Except the above, none of the other directors hold any shares of the Company.

The nomenclature of the committee has been changed to Nomination and Remuneration Committee with effect from May 13, 2014.

C. INVESTOR GRIEVANCES – CUM – SHARE TRANSFER COMMITTEE:

The Board of Directors constituted the Investor Grievances-cum-Share Transfer Committee (IGC) of the Board at its meeting held on 4th May, 2006. Mr. Ravindra Kulkarni, a Non-Executive Director is the Chairman of the Committee. Mr. Vineet Nayyar and Mr. Ulhas N. Yargop are the other members of the Committee. Mr. G. Jayaraman, Company Secretary is the Secretary to the Committee. During the year, the Committee has held two meetings on 21st May, 2013 & 4th February, 2014 which were attended by all Committee members.

Terms of reference: The IGC looks into redressal of shareholders' and investors' complaints, issue of duplicate/ consolidated share certificates, allotment and listing of shares and review of cases for refusal of transfer/ transmission of shares and debentures and reference to statutory and regulatory authorities. The Company also has an Investor Relations Department focused on servicing the needs of the investors, analysts, brokers and the general public. The status of complaints received and resolved during the year is as under:

Pending complaints as on 1st April, 2013	Complaints received during the year	Complaints disposed during the year	Complaints pending as on 31st March, 2014
0	161	161	0

The nomenclature of the committee has been changed to Stakeholders Relationship Committee with effect from May 13, 2014.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Board of Directors constituted the Corporate Social Responsibility Committee (CSR) of the Board at its meeting held on 7th November, 2013. Mr. Vineet Nayyar, Executive Vice Chairman, is the Chairman of the Committee, Mrs. M. Rajyalakshmi Rao and Mr. Ulhas N. Yargop are the other members of the Committee. Mr. G. Jayaraman, Company Secretary is the Secretary to the Committee. During the year, the Committee has held one meeting on 22nd March, 2014 which was attended by all the Committee members.

Terms of reference of the CSR Committee are:

a. Formulate and recommend to the Board, a CSR policy indicating the activities from the specified list of activities in Schedule VII of the Act.

b. Recommend the amount of expenditure to be incurred for the chosen activities.

c. Monitor the CSR Policy of the Company from time to time and

d. To carry on such task and activities as may be assigned by the board of directors from time to time.

E. EXECUTIVE COMMITTEE (A VOLUNTARY INITIATIVE OF THE COMPANY):

The Committee was formed to deal with urgent matters requiring immediate action of the Board of Directors before a meeting of the Board could be convened. The Committee also approves the making of loans and investments in accordance with the guidelines prescribed by the Board. Mr. Vineet Nayyar is the Chairman of the Committee. Mr. Bharat N. Doshi and Mr. Ulhas N. Yargop are the other Members of the Committee.

F. SECURITIES ALLOTMENT COMMITTEE (A VOLUNTARY INITIATIVE OF THE COMPANY):

The Committee was formed in the year 2006 to enable exercise of Options and allotment of shares under ESOP. The Board in its meeting held on 27th April, 2009 renamed the Committee as "Securities Allotment Committee" to increase its scope with power to allot any marketable securities of the Company. Mr. Vineet Nayyar is the Chairman of the Committee. Mr. C. P. Gurnani and Mr. Ulhas N. Yargop are the other Members of the Committee.

V. SUBSIDIARY COMPANIES:

During the Financial year 2013-14, the Company didn't have any material subsidiary. However the Company regularly places before the Board, the minutes of all subsidiaries of the Company as a good corporate governance practice.

VI. GENERAL BODY MEETINGS:

The details of the last three Annual General Meetings of the Company and the Special Resolutions passed thereat are as under:

Year	Location of AGM	Date	Time	Special Resolutions passed
2011	Sir Patkar Hall, 1, Nathibai Thackersey Road, Marine Lines, Mumbai 400 020	August 12, 2011	3.30 p.m.	- Approval for payment of commission to Non-Executive Directors. - Resolution under Section 81(1A) of the Companies Act, 1956 for further issue of shares. - Approval for enhancing the ceiling on total holdings of Foreign Institutional Investors upto 35% of paid up equity capital.
2012	Y. B. Chavan Auditorium, General Jagannath Bhosle Marg, Nariman Point, Mumbai -400 021.	August 10, 2012	3.30 p.m.	- Alteration of Articles of Association pursuant to Section 31 of the Companies Act, 1956. - Approval of members for further grant of options under the Employee Stock option Plan 2000.
2013	Y. B. Chavan Auditorium, General Jagannath Bhosle Marg, Nariman Point, Mumbai -400 021.	September 26, 2013	3.30 p.m.	- Appointment of Mr. Vineet Nayyar as Executive Vice Chairman of the company effective 10th August 2012 for a period of 3 years. - Alteration of Articles of Association pursuant to Section 31 of the Companies Act, 1956. - Approval of Members to enhance the ceiling on holding of Foreign Institutional Investors upto 49% of paid up equity capital. - Approval of members for increasing the limit of grants to the associates/ employees/ directors under Restricted Stock Units scheme of erstwhile Mahindra Satyam. - Approval of members to amend the pricing formula of ASOP-B Scheme of erstwhile Mahindra Satyam.

Details of Resolutions passed through Postal Ballots during the year 2013-14: **NIL**

VII. DISCLOSURES:

i. There have been no material pecuniary transactions or relationships between the Company and directors, management, subsidiary or related parties except those disclosed in the financial statements for the year ended 31st March, 2014.

ii. The Company has followed the Accounting Standards laid down by The Companies (Accounting Standards) Rules, 2006 in preparation of financial statement.

iii. The Company has complied with all the requirements of regulatory authorities. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets.

iv. The Company has complied with the mandatory requirements of Clause 49.

v. The Company has complied with the following non-mandatory requirements as prescribed in Annexure I-D to Clause 49 of the Listing Agreement with the Stock Exchanges:

a) The Company has set up a Compensation (Remuneration) Committee. Please see the Para on "Compensation & Nominations Committee" for details provided elsewhere in this Report.

b) During the period under review, there is one audit qualification in the Company's financial statements, the qualification flows from the erstwhile Satyam Computer Services Limited amalgamated with the company. The details are provided at note 27.3 to the Financial Statements.

c) The Company has formulated a Whistle Blower Policy which provides a mechanism for employees to raise concerns that relate to violation of the Code of Conduct, Accounting, Internal Accounting Controls, Auditing Matters and applicable national and international laws including statutory / regulatory rules and regulations. No personnel have been denied access to the Audit Committee.

VIII. COMMUNICATION OF RESULTS:

- The Company has 501,775 shareholders as on 31st March, 2014. The main channel of communication to the shareholders is through the annual report which includes inter alia, the Directors' report, the report on Corporate Governance and the quarterly and annual audited financial results.
- The website of the Company www.techmahindra.com acts as the primary source of information regarding the operations of the Company.

  The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India which include Business Standard, Economic Times and Maharashtra Times. The results are also displayed on the Company's website www.techmahindra.com. Official Press Releases made by the Company from time to time are also displayed on the website. A Fact sheet providing a gist of the quarterly, half yearly and annual results of the Company is displayed on the Company's website. The Company regularly posts information relating to its financial results and shareholding pattern on Corporate Filing and Dissemination System (CFDS) viz., www.corpfiling.co.in. Besides, the Company also submits electronically various compliance reports / statements periodically in accordance with the provisions of the Listing Agreement on NSE's Electronic Application Processing System (NEAPS).
- A Management Discussion and Analysis forms part of this Annual Report.

IX. GENERAL SHAREHOLDER INFORMATION:

1. Annual General Meeting:

Date	Friday, 1st August 2014
Time	2.00 P.M.
Venue	Birla Matushri Sabhagar,19, Marine Lines, Mumbai-400 020, Maharashtra, India.

2. Financial year: The financial year is 1st April to 31st March.

Financial Calendar:

Financial reporting for	Tentative Board Meeting schedule (subject to change)
Quarter ending 30th June 2014	Last fortnight of July 2014
Half year ending 30th September 2014	Last fortnight of October 2014
Quarter ending 31st December 2014	Last fortnight of January 2015
Year ending 31st March 2015	Second fortnight of May 2015
Annual General Meeting for the year ending 31st March 2015	First fortnight of August 2015

3. Book Closure / Record Date:

29th July, 2014 to 1st August, 2014 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend.

4. Date of Dividend Payment:

Date of payment of Dividend if declared would be on or before 16th August, 2014.

5. **Listing on Stock Exchanges:**

The Company's equity shares are listed on The National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). Listing Fee for FY 2014-15 has been paid in full for both the stock exchanges.

The Company's Non – convertible debentures (NCDs) are listed on the National Stock Exchange of India Limited (NSE). (Since redeemed on 17th April 2014).

6. **Stock Code:**

National Stock Exchange of India Limited - TECHM
Bombay Stock Exchange Limited - 532755

Tech Mahindra has been included in CNX NIFTY Index by the National Stock Exchange of India Limited effective March 28, 2014. This may perhaps help the company and the investors to further unlock the value of the shares.

7. **Demat International Securities Identification Number (ISIN) in NSDL and CDSL for equity shares:**

INE669C01028

The ISIN details for the Company's other securities are as under:

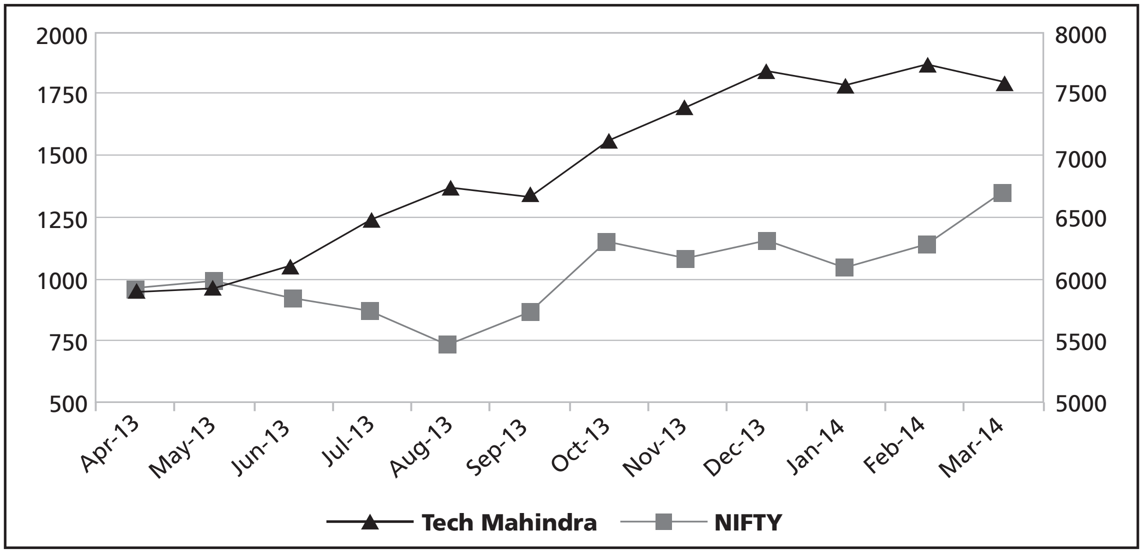
- 10.25% Non-convertible Debentures Face Value ₹ 10 Lac: INE669C07033 (Since redeemed on 17 April 2014)

8. **Market Price Data: High, Low during each month in last financial year:**

Equity Shares				
Month	**NSE**		**BSE**	
	High (₹)	**Low (₹)**	**High (₹)**	**Low (₹)**
April 2013	1073.95	906.80	1074.00	906.50
May 2013	1018.00	895.05	1018.20	895.25
June 2013	1098.00	909.10	1096.10	910.00
July 2013	1262.00	965.00	1262.00	965.30
August 2013	1428.00	1200.50	1428.00	1202.70
September 2013	1435.00	1257.45	1434.30	1259.40
October 2013	1594.50	1316.00	1594.00	1315.30
November 2013	1762.75	1516.10	1762.45	1516.30
December 2013	1875.50	1662.00	1875.00	1661.20
January 2014	1906.10	1703.60	1906.00	1705.00
February 2014	1890.95	1696.40	1891.00	1690.00
March 2014	1936.90	1731.00	1936.35	1731.20

9. Performance in comparison to broad-based indices such as NSE (NIFTY), BSE Sensex index etc.:

The performance of the Company's shares relative to the NSE (NIFTY) Index is given in the chart below:



10. Registrar and Transfer Agents:

Share transfer, dividend payment and all other investor related matters are attended to and processed by our Registrar and Transfer Agents, i.e. Link Intime India Private Limited having their office at

Link Intime India Private Limited
Block No. 202, 2nd Floor,
Akshay Complex, Near Ganesh Temple,
Off Dhole Patil Road,
Pune - 411 001, Maharashtra, India.

Tel No. +91 20 2616 0084, 2616 1629
Fax: +91 20 2616 3503

Contact Person: Mr. Bhagavant Sawant
Email address: bhagavant.sawant@linkintime.co.in

11. Share Transfer System:

The Company's shares are covered under the compulsory dematerialization list and are transferable through the depository system. Shares sent for transfer in physical form are registered and returned within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects.

12. Distribution of shareholding as on 31st March 2014:

No. of Equity Shares held	Shareholders		Equity shares held	
	No. of Shareholders	% to Total	No. of shares	% to Total
001 - 500	494206	98.492	16086423	6.890
501 - 1000	3556	0.709	2525762	1.082
1001 - 2000	1813	0.361	2550134	1.092
2001 - 3000	634	0.126	1567585	0.671
3001 - 4000	273	0.054	966113	0.414
4001 - 5000	182	0.036	830895	0.356
5001 - 10000	342	0.069	2451241	1.050
10,001 & above	769	0.153	206494733	88.445
Total	**501775**	**100.00**	**233472886**	**100.00**

13. Shareholding Pattern as on 31st March 2014:

Category	No. of shares held	% to Total
Promoters holdings	84736978	36.294
Public Share holding:		
Mutual Funds	10151441	4.348
Banks, Financial Institutions & others	683912	0.293
Foreign Institutional Investors	91282243	39.098
Bodies Corporate	3226746	1.382
NRI/Foreign Nationals	2606901	1.116
Indian Public & others	40784665	17.469
Total	**233472886**	**100.000**

14. Dematerialization of shares and liquidity:

99.70% of the total equity share capital of the Company is held in a dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited as on 31st March 2014. The market lot is one share as the trading in equity shares of the Company is permitted only in dematerialized form. The stock is highly liquid.

15. Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:

As on 31st March 2014, the Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible instruments (excluding ESOPs).

16. Plant Locations:

The Company is in software business and does not require any manufacturing plants but it has software development centers in India and abroad. The addresses of the global development centers/ offices of the Company are given elsewhere in the annual report.

17. Address for correspondence:

Shareholders' Correspondence: Shareholders may correspond with -

i. Registrar & Transfer Agents for all matters relating to transfer / dematerialization of shares, payment of dividend, demat credits, etc. at :

Link Intime India Private Limited
Block No. 202, 2nd Floor, Akshay Complex,
Near Ganesh Temple, Off Dhole Patil Road,
Pune - 411 001, Maharashtra, India.

Tel No. +91 20 2616 0084, 2616 1629
Fax: +91 20 2616 3503

Contact Person: Mr. Bhagavant Sawant
Email address: bhagavant.sawant@linkintime.co.in

ii. Respective Depository Participants (DPs) for shares held in demat mode. Shareholders are requested to take note that all queries in connection with change in their resident address, bank account details, etc. are to be sent to their respective DPs.

iii. For all investor related matters:

Mr. G. Jayaraman
Company Secretary
Tech Mahindra Limited
2nd Floor, Corporate Block, Rajiv Gandhi Infotech Park,
Phase III, Pune – 411 057, Maharashtra, India.

Tel No. +91 20 42250000
Tel No. +91 20 6601 8100

Email address: investor.relations@techmahindra.com

18. Details of shares held in Demat Suspense Account:

The disclosure under Clause 5A of the Listing Agreement is as under:

Sr. No.	Particulars	(In Numbers)
(i)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	502 Shareholders 84,443 Shares
(ii)	Number of shareholders who approached Company for transfer of shares from suspense account during the year	None
(iii)	Number of shareholders to whom shares were transferred from suspense account during the year	None
(iv)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	502 Shareholders 84,443 Shares

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

19. Transfer of Unclaimed Dividend to IEPF:

Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, dividends that are unclaimed for a period of seven years, are statutorily required to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government, and thereafter, cannot be claimed by the investors.

No claim shall lie against the said Fund or the Company for unpaid dividends transferred to the Fund nor shall any payment be made in respect of such claim. Members, who have not yet encashed their dividend warrant(s), are requested to make their claims without any delay to the Company's Registrar and Transfer Agent, i.e. Link Intime India Private Limited.

Calendar for transfer of unclaimed dividend to IEPF:

Financial Year	Type of Dividend	Date of Declaration	Due for Transfer to IEPF
2006-2007	Second Interim Dividend	14th March, 2007	April, 2014
2006-2007 *	Final Dividend	30th August, 2007	October, 2014
2007-2008 *	Interim Dividend	23rd October, 2007	November, 2014
2007-2008	Final Dividend	22nd July, 2008	August, 2015
2007-2008 *	Final Dividend	26th August, 2008	October, 2015
2008-2009 *	Interim Dividend	17th October, 2008	November, 2015
2008-2009	Interim Dividend	21st October, 2008	November, 2015
2009-2010	Final Dividend	26th July, 2010	September, 2017
2010-2011	Final Dividend	12th August, 2011	September, 2018
2011-2012	Final Dividend	10th August, 2012	September, 2019
2012-2013	Final Dividend	26th September, 2013	November, 2020

* Unpaid dividend declared by the erstwhile Satyam Computer Services Ltd.

X. GREEN INITIATIVES:

In order to save the precious forest, preserve the natural resources of the country and to help your Company to save on cost, Members are requested to register their email id's with the Company's Registrar & Transfer Agent i.e. Link Intime India Private Limited or with your DP or by sending email to investor.relations@ techmahindra.com

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGERIAL PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

As required by Clause 49 I (D) (ii) of the Listing Agreement, this is to confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. The Code is available on the Company's web site.

I confirm that the Company has in respect of the financial year ended March 31, 2014, received from the senior management team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For Tech Mahindra Limited

Place : New York, USA
Date : May 14, 2014

C.P. Gurnani
Managing Director

CERTIFICATE

To the Members of Tech Mahindra Limited

We have examined the compliance of conditions of Corporate Governance by Tech Mahindra Limited ("the Company") for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(ICAI Reg. No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place : Pune
Date : May 14, 2014

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To The Members of

Tech Mahindra Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of **TECH MAHINDRA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. **Except for the matter described in Basis for Qualified Opinion in paragraph 4 below,** we conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

4. Attention is invited to the following matter in respect of the erstwhile Satyam Computer Services Limited (erstwhile Satyam), amalgamated with the Company with effect from 1st April 2011:

   As stated in Note 27.3, the alleged advances to the erstwhile Satyam, amounting to ₹ 12,304 Million (net) relating to prior years has been presented separately under "Amounts pending investigation suspense account (net)" in the Balance Sheet. The details of these claims and the related developments are more fully described in the said Note.

   Further, as stated in the said Note, the Company's Management is of the view that the claim regarding repayment of the alleged advances not being legally tenable has been reinforced in view of the developments described in the said Note including based on legal opinion. However, pending the final outcome of the recovery suit filed by the 37 companies in the City Civil Court and the Enforcement Directorate matter under the Prevention of Money Laundering Act pending before the Honourable 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. Also, in the opinion of the Company's Management, even if the principal amounts of such claims are held to be tenable and the Company is required to repay these amounts, such an eventuality should 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.

In the absence of complete / required information, and since the matter is sub-judice, we are unable to comment on the accounting treatment/ adjustments/disclosures relating to the aforesaid alleged advances amounting to ₹ 12,304 Million (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 statements. However, in the eventuality of any payment upto ₹ 12,304 Million, against the aforesaid claims for the principal amounts of the alleged advances, there should be no impact on the profits \ losses or reserves of the Company.

Qualified Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, **except for the matter described in the Basis for Qualified Opinion in paragraph 4 above, the consequential effects, if any, of which are not quantifiable,** the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

   (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

   (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

6. We draw attention to the following matters:

   (a) Notes 27.1 and 27.2 - In respect of the financial irregularities in the erstwhile Satyam relating to prior years identified consequent to the letter dated January 7, 2009 of the then Chairman of erstwhile Satyam, various regulators/investigating agencies initiated their investigations and legal proceedings, which are ongoing.

   Further, based on the forensic investigation, an aggregate amount of ₹ 11,393 Million (net debit) was identified in the financial statements of erstwhile Satyam as at 31st March, 2009 under "Unexplained differences suspense account (net)" due to non-availability of complete information. On grounds of prudence, these amounts had been provided for by erstwhile Satyam in the financial year ended 31st March, 2009. As there is no further information available with the Management even after the lapse of more than three years, the said amount of ₹ 11,393 Million has been written off in the books of the Company during the year ended 31st March, 2014.

   The Company's 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.

   (b) In respect of the non-compliances/breaches in the erstwhile Satyam relating to certain provisions of the Companies Act, 1956, certain employee stock option guidelines issued by the Securities Exchange Board of India and certain matters under the provisions of FEMA, observed in the prior years under its erstwhile management (prior to the appointment of Government nominated Board).

   As per the Company's Management, any adjustments, if required, in the financial statements of the Company would be made as and when the outcomes of the above matters are concluded.

   (c) Note 25.5 - Appeals against the order by the single judge of the Honourable 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.

(d) As stated in Note 30.5.2.v, erstwhile Satyam was carrying a total amount of ₹ 4,989 Million (net of taxes paid) as at 31st March, 2013 (that is, 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 Company's 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 ₹ 2,266 Million determined based on such evaluation in respect of the prior years has been written back during the current year. The Company's Management is of the view that the balance provision for taxation carried in the books with respect to the prior year disputes relating to erstwhile Satyam is adequate.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order, **except for the effects of the matter described in the Basis for Qualified Opinion in paragraph 4 above,**

8. As required by Section 227(3) of the Act, **except for the effects of the matter described in the Basis for Qualified Opinion in paragraph 4 above,** we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).

   (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: Pune, India
Date: May 14, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) Having regard to the nature of the Company's business / activities / results during the year, clauses (ii), (vi), (xii), (xiii), (xiv) and (xvi) of paragraph 4 of the Order are not applicable to the company.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The major portions of fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly the provisions of sub clauses (b), (c), (d), (f) and (g) of Clause (iii) of paragraph 4 of the Order are not applicable to the company.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of goods and services and during the course of our audit we have not observed any major weakness in such internal control system. There are no purchases of inventories during the year.

(v) According to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the register referred to in Section 301 of the Companies Act, 1956. Accordingly the provisions of sub clause (b) of Clause (v) of paragraph 4 of the Order are not applicable to the company.

(vi) In our opinion, the internal audit function carried out during the year with the assistance of external agencies appointed by the Management has been commensurate with the size of the Company and the nature of its business.

(vii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act. Accordingly, the provisions of Clause (viii) of paragraph 4 of Companies (Auditors' Report) Order, 2003 is not applicable to the Company.

(viii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax / VAT, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax / VAT, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax / VAT, Service Tax and Cess which have not been deposited as on 31st March, 2014 on account of disputes are given below:

(₹ in Million)

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved
The Income Tax Act,1961	Income Tax	Income Tax Appellate Tribunal	Financial Year 2003-04	151.69
The Income Tax Act,1961	Income Tax	Income Tax Appellate Tribunal	Financial Year 2004-05	150.46
The Income Tax Act,1961	Income Tax	Supreme Court	Financial Year 2004-05	39.55
The Income Tax Act,1961	Income Tax	High Court	Financial Year 2005-06	2.83
The Income Tax Act,1961	Income Tax	Income Tax Appellate Tribunal	Financial Year 2005-06	1.57
The Income Tax Act,1961	Income Tax	Income Tax Appellate Tribunal	Financial Year 2006-07	2,360.64
The Income Tax Act,1961	Income Tax	Income Tax Appellate Tribunal	Financial Year 2007-08	16.63
The Income Tax Act,1961	Income Tax	Commissioner of Income Tax (Appeals)	Financial Year 2007-08	0.87
The Income Tax Act,1961	Income Tax	Income Tax Appellate Tribunal	Financial Year 2007-08	29.09
The Income Tax Act,1961	Income Tax	Commissioner of Income Tax (Appeals)	Financial Year 2007-08	1.43
The Income Tax Act,1961	Income Tax	High Court	Financial Years 2002-03 to 2007-08	5,967.31 #
The Income Tax Act,1961	Income Tax	Commissioner of Income Tax (Appeals)	Financial Year 2001-02	8.11 #
The Income Tax Act,1961	Income Tax	Commissioner of Income Tax (Appeals)	Financial Year 2008-09	55.32
The Income Tax Act,1961	Income Tax	Commissioner of Income Tax (Appeals) *	Financial Year 2009-10	747.03
The Income Tax Act,1961	Income Tax	Commissioner of Income Tax (Appeals)	Financial Year 2009-10	24.80
Finance Act, 1994	Service Tax	Commissioner of Central Excise (Appeals)	Financial Years 2003-04 to 2006-07	12.86
Finance Act, 1994	Service Tax	Commissioner of Central Excise (Appeals)	Financial Years 2004-05 to 2007-08	86.60
Finance Act, 1994	Service Tax	High Court	Financial Year 2008-09 and 2009-10	224.20

(₹ **in Million**)

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved
Finance Act, 1994	Service Tax	Customs Excise & Service Tax Appellate Tribunal	Financial Year 2004-05 to 2008-09	118.77
Finance Act, 1994	Service Tax	Customs Excise & Service Tax Appellate Tribunal	Financial Year 2005-06 to 2007-08	46.43
Finance Act, 1994	Service Tax	Customs Excise & Service Tax Appellate Tribunal	Financial Year 2007-08 to 2010-11	169.50
Finance Act, 1994	Service Tax	Customs Excise & Service Tax Appellate Tribunal *	Financial Year 2010-11	179.78
Andhra Pradesh VAT Act, 2005	Value Added Tax	Sales Tax Appellate Tribunal	Financial Year 2007-08	6.78
Andhra Pradesh VAT Act, 2005/ CST Act, 1956	Sales Tax / Value Added Tax	High Court	Financial Years 2007-08 to 2010-11	164.57
Delhi Value Added Tax Act, 2004	Value Added Tax	Additional Commissioner VAT	May 2012	2.81
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	Financial Year 2008-09	4.19
Central Sales Tax Act, 1956	Central Sales Tax (Gujarat)	Deputy Commissioner of Commercial Tax (Appeal)	Financial Years 2006-07 to 2008-09	5.60
Revenue & Taxation Code, USA	Franchise Tax	State Board of Equalization, California	January 2002 – December 2004	8.66
Revenue & Taxation Code, USA	Pennsylvania state Income Tax	Commonwealth of Pennsylvania Department of Revenue	Financial Year 1988 - 2005	4.45

* The company is in process of filing the appeal

\# The above excludes the Income Tax Draft Notices of Demand amounting to ₹ 7,952 Million and ₹ 9,637 Million for financial years 2001-02 and 2006-07 respectively, issued by the Additional Commissioner of Income Tax under Section 143(3) read with Section 147 of the Income Tax Act, 1961, against which the Company has filed its objections with the Dispute Resolution Panel, which is pending disposal.

(ix) **Except for the consequential effects, if any, of our comments in paragraph 4 under 'Basis for Qualified Opinion' section of the Independent Auditors' Report which are not quantifiable,** the Company has accumulated profits at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and debenture holders. According to the information and explanations given to us, there are no dues payable to financial institutions.

(xi) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long- term investment.

(xiii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xiv) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures. The Company has created security in respect of debentures issued in the earlier years.

(xv) As informed to us, during the period covered by our audit report, the Company has not raised any money by public issues.

(xvi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: Pune, India
Date: May 14, 2014

BALANCE SHEET AS AT MARCH 31, 2014

₹ in Million

		Note		March 31, 2014	March 31, 2013
I	**EQUITY AND LIABILITIES**				
1	**Shareholders' Funds**				
	(a) Share Capital	3	2,335		1,281
	(b) Reserves and Surplus	4	83,551		40,544
				85,886	41,825
2	**Share Application Money Pending Allotment (refer note 35)**			15	3
3	**Non-Current Liabilities**				
	(a) Long-Term Borrowings	5	50		3,000
	(b) Other Long-Term Liabilities	6	3,741		2,270
	(c) Long-Term Provisions	7	3,203		1,692
				6,994	6,962
4	**Current Liabilities**				
	(a) Short-Term Borrowings	8	-		8,045
	(b) Trade Payables	9	14,319		6,386
	(c) Other Current Liabilities	10	16,980		7,197
	(d) Short-Term Provisions	11	10,894		2,167
				42,193	23,795
5	**Amount Pending Investigation Suspense Account (Net) (refer note 27.3)**			12,304	-
				147,392	72,585
II	**ASSETS**				
1	**Non-Current Assets**				
	(a) Fixed Assets	12			
	(i) Tangible Assets		17,939		7,133
	(ii) Intangible Assets		397		68
	(iii) Capital Work-in-Progress		2,640		284
				20,976	7,485
	(b) Non-Current Investments	13		22,940	38,075
	(c) Deferred Tax Asset (refer note 59)			3,109	944
	(d) Long-Term Loans and Advances	14		9,406	4,496
	(e) Other Non-Current Assets	15		157	-
				56,588	51,000
2	**Current Assets**				
	(a) Current Investments	16	-		-
	(b) Trade Receivables	17	39,278		13,725
	(c) Cash and Bank Balances	18	28,263		2,711
	(d) Short-Term Loans and Advances	19	13,480		3,310
	(e) Other Current Assets	20	9,783		1,839
				90,804	21,585
				147,392	72,585
	See accompanying notes forming part of the financial statements	1 to 72			

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Pune, India, May 14, 2014

For Tech Mahindra Limited

Anand G. Mahindra
Chairman

Vineet Nayyar
Executive Vice Chairman

C. P. Gurnani
Managing Director

Anupam Puri
Director

Bharat Doshi
Director

M. Damodaran
Director

M. Rajyalakshmi Rao
Director

Ravindra Kulkarni
Director

T. N. Manoharan
Director

Ulhas N. Yargop
Director

Milind Kulkarni
Chief Financial Officer

G. Jayaraman
Company Secretary

New York, USA, May 14, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

₹ in Million except Earnings per share

		Note	Year ended March 31, 2014	Year ended March 31, 2013
I	Revenue from Operations (refer note 51)		**162,951**	60,019
II	Other Income (net)	21	**703**	(952)
III	**Total Revenue (I + II)**		**163,654**	59,067
IV	**Expenses:**			
	Employee Benefits Expense	22	**69,715**	25,138
	Subcontracting Expenses		**34,012**	15,524
	Operating and Other Expenses	23	**23,611**	7,573
	Finance Costs	24	**868**	1,090
	Depreciation and Amortisation Expense	12	**4,270**	1,570
	Total Expenses		**132,476**	50,895
V	**Profit before Exceptional Item and Tax (III - IV)**		**31,178**	8,172
VI	Exceptional Item - Income (refer note 71)		**1,200**	-
VII	**Profit before Tax (V + VI)**		**32,378**	8,172
VIII	Tax Expense:			
	(a) Current Tax (refer note 61)		**8,433**	1,771
	(b) Earlier years excess provision written back (refer note 30.5.2.v)		**(2,266)**	-
	(c) Deferred Tax (refer note 59)		**(644)**	(124)
IX	**Profit after Tax (VII - VIII)**		**26,855**	6,525
	Earnings Per Equity Share (face value ₹ 10) (Before exceptional item) in ₹ (refer note 67)			
	(a) Basic		**110.33**	51.10
	(b) Diluted		**107.39**	48.99
	Earnings Per Equity Share (face value ₹ 10) (After exceptional item) in ₹ (refer note 67)			
	(a) Basic		**115.49**	51.10
	(b) Diluted		**112.41**	48.99
	See accompanying notes forming part of the financial statements	1 to 72		

In terms of our report attached
For Deloitte Haskins & Sells LLP
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Pune, India, May 14, 2014

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Chief Financial Officer

G. Jayaraman
Company Secretary

New York, USA, May 14, 2014

CASH FLOW FOR THE YEAR ENDED MARCH 31, 2014

₹ in Million

	Particulars		Year ended March 31, 2014	Year ended March 31, 2013
A	**Cash Flow from Operating Activities**			
	Profit before Exceptional Item and Tax		**31,178**	8,172
	Adjustments for :			
	Depreciation and Amortisation Expense	**4,270**		1,570
	Amortisation of Deferred Revenue	**(1,708)**		(2,065)
	Provision for Doubtful Receivables, Unbilled Revenue and other Advances, Bad debts, Deposits and Loans and Advances written off (net)	**1,400**		173
	Provision for Impairment in Non Current Investment	**243**		-
	Customer Claims and Warranties (net)	**102**		1
	(Profit) / Loss on Sale of Fixed Assets (net)	**(104)**		(21)
	Finance Costs	**868**		1,090
	Unrealised Exchange (Gain) / Loss (net)	**871**		344
	Employee Stock Compensation Cost	**1,312**		500
	Provision on non-current investments no longer required	**(217)**		-
	Interest Income	**(1,945)**		(18)
	Dividend Income	**(59)**		(10)
			5,033	1,564
	Operating Profit before working capital changes		**36,211**	9,736
	Trade Receivables and Other Assets	**(18,691)**		(2,301)
	Trade Payables, Other Liabilities and Provisions	**4,183**		1,356
			(14,508)	(945)
	Cash Generated from Operations		**21,703**	8,791
	Income Tax Paid (net)		**(8,761)**	(2,370)
	Net Cash Flow from / (used in) Operating Activities (A)		**12,942**	6,421
B	**Cash Flow from Investing Activities**			
	Purchase of Fixed Assets	**(7,976)**		(1,092)
	Proceeds from Sale of Fixed Assets	**300**		39
	Purchase of Current Investments	**(33,320)**		(8,150)
	Sale of Current Investments	**33,380**		9,363
	Purchase of Treasury Bonds	**(7)**		(8)
	Proceeds on Maturity of Treasury Bills	**-**		1
	Acquisition of Company	**-**		(6,122)
	Additional Investment in Subsidiaries	**(1,300)**		(2)
	Sale of Investment in Subsidiary (refer note 60)	**217**		-
	Margin Money Realised	**6,661**		-
	Margin Money Placed	**(4,888)**		-
	Interest Received	**2,383**		**17**
	Net Cash Flow from / (used in) Investing Activities (B)		**(4,550)**	(5,954)
C	**Cash Flow from Financing Activities**			
	Proceeds from Issue of Equity Shares (Including Share Application Money)	**497**		71
	Loan given to Subsidiary	**(31)**		(54)
	Interest on Loan given to Subsidiary	**27**		1
	Repayment of Loan by Subsidiary	**1,050**		-
	Dividend (Including Tax on Dividend) paid	**(1,359)**		(593)
	Proceeds from Short-Term Borrowings	**9,786**		32,385
	Repayment of Short-Term Borrowings	**(18,104)**		(29,844)

CASH FLOW FOR THE YEAR ENDED MARCH 31, 2014

₹ in Million

Particulars		Year ended March 31, 2014	Year ended March 31, 2013
Finance Costs	(1,040)		(1,077)
Net Cash Flow from / (used in) Financing Activities (C)		**(9,174)**	889
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		**(782)**	1,356
Cash and Cash Equivalents at the beginning of the year		**2,703**	1,347
Increase in Cash and Cash Equivalents on Amalgamation (refer note 25)		**20,964**	-
Cash and Cash Equivalents (refer note 2) at the end of the		**22,885**	2,703

Notes :

1 Purchase of Fixed Assets are stated inclusive of movements of Capital Work-in-Progress, Capital Creditors and Capital Advances between the commencement and end of the year and are considered as part of investing activity.

₹ in Million

2 **Particulars**	March 31, 2014	March 31, 2013
Cash and Cash Equivalents *	**23,526**	2,705
Unrealised Loss/(Gain) on Foreign Currency Balances	**(641)**	(2)
Total	**22,885**	**2,703**
*** Cash and Cash Equivalents Comprises of Balances with Banks :**		
(a) In Current Accounts	**10,637**	2,687
(b) In Deposit Accounts with original maturity of less than 3 months	**12,889**	18
	23,526	2,705
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Bank Balances (refer note 18)	**28,263**	2,711
Less:		
Balances held as Margin Money/Security towards obtaining Bank Guarantees	**4,523**	-
Unclaimed Dividend	**37**	6
Balance held under Escrow Account	**177**	-
Total Cash and Cash Equivalents	**23,526**	2,705

3 Cash and Cash Equivalents include Equity Share Application Money of ₹ **15 Million** (previous year ₹ 3 Million).

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Pune, India, May 14, 2014

For Tech Mahindra Limited

Anand G. Mahindra
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Director

Milind Kulkarni
Chief Financial Officer

G. Jayaraman
Company Secretary

New York, USA, May 14, 2014

Notes forming part of the Financial Statements for the year ended March 31, 2014

1. CORPORATE INFORMATION:

Tech Mahindra Limited (referred to as "TechM" or the "Company") operates mainly into two sectors i.e. Telecom business and Enterprise Solutions business. The telecom business provides consulting-led integrated portfolio services to customers which are Telecom Equipment Manufacturers, Telecom Service Providers and IT Infrastructure Services, Business Process Outsourcing as well as Enterprise Services (BFSI, Retail & Logistics, Manufacturing, E&U, and Healthcare, Life Sciences, etc.) of Information Technology (IT) and IT-enabled services delivered through a network of multiple locations around the globe. The enterprise solutions business provides comprehensive range of IT services, including IT enabled services, application development and maintenance, consulting and enterprise business solutions, extended engineering solutions and infrastructure management services to diversified base of corporate customers in a wide range of industries including insurance, banking and financial services, manufacturing, telecommunications, transportation and engineering services. The Company's registered office is in Mumbai, India and has over 40 subsidiaries across the globe.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis for preparation of financial statements:

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value. These financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India and the other relevant provisions of the Companies Act, 1956.

2.2 Use of Estimates:

The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the financial statements.

2.3 Tangible Fixed Assets and intangible assets:

Tangible fixed assets and intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction/installation stage.

2.4 Depreciation / amortization of fixed assets:

The Company computes depreciation of all tangible fixed assets including for assets taken on lease using the straight line method based on estimated useful life. Depreciation is charged on a pro rata basis for assets purchased or sold during the period. Management's estimate of the useful life of tangible and intangible assets is as follows:

Buildings	28 years
Computers	3 years
Computers taken on Finance Lease	Lower of 5 years or lease period
Plant and Equipment	3 to 5 years
Furniture and Fixtures	5 years
Furniture and Fixture taken on Finance Lease	Lower of 5 years or lease period
Vehicles	5 years
Office Equipments	5 years
Leasehold Improvements	Lower of lease period or expected occupancy

Depreciation is accelerated on fixed assets, based on their condition, usability etc, as per the technical estimates of the Management, where necessary.

Leasehold land is amortised over the period of lease.

Assets costing upto ₹ 5,000 are fully depreciated in the year of purchase.

The cost of software purchased for internal use is capitalized and depreciated in full in the month in which it is put to use.

Project specific intangible assets are amortised over their estimated useful lives on a straight line basis or over the period of the license, whichever is lower.

2.5 Leases:

Assets taken on lease are accounted for as fixed assets in accordance with Accounting Standard 19 on "Leases", (AS 19).

(i) Finance lease:

Where the Company, as a lessor, leases assets under finance lease, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on constant rate of return on the outstanding net investment.

Assets taken on finance lease are accounted for as fixed assets at fair value. Lease payments are apportioned between finance charge and reduction of outstanding liability.

(ii) Operating lease:

Lease arrangements under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease rental under operating lease are recognised in the Statement of Profit and Loss on a straight line basis.

2.6 Impairment of Assets:

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the net book value that would have been determined if no impairment loss had been recognised.

2.7 Investments:

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.8 Inventories:

Components and parts:

Components and parts are valued at lower of cost or net realizable value. Cost is determined on First-In-First Out basis.

Finished Goods:

Finished goods are valued at the lower of the cost or net realisable value. Cost is determined on First-In-First Out basis.

Projects in Progress/Work in Progress:

Hardware equipment and other items are carried at the lower of cost and net realisable value. Cost is determined on a specific identification basis. Cost includes material cost, freight and other incidental expenses incurred in bringing the inventory to the present location/condition.

2.9 Revenue recognition:

Revenue from software services and business process outsourcing services include revenue earned from services rendered on 'time and material' basis, time bound fixed price engagements and system integration projects.

All revenues from services, as rendered, are recognised when persuasive evidence of an arrangement exists, the sale price is fixed or determinable and collectability is reasonably assured and are reported net of sales incentives, discounts based on the terms of the contract and applicable indirect taxes.

The Company also performs time bound fixed price engagements, under which revenue is recognised using the proportionate completion method of accounting, unless work completed cannot be reasonably estimated. Provision for estimated losses, if any on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates and can be reasonably estimated.

The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the period in which the change becomes known.

Revenue from maintenance contracts is recognised over the period of the contract in accordance with its terms.

Revenue recognition is based on the terms and conditions as per the contracts entered into with the customers. In respect of expired contracts under renewal or where there are no contracts available, revenue is recognised based on the erstwhile contract/provisionally agreed terms and/or understanding with the customers.

Revenue is net of volume discounts/price incentives which are estimated and accounted for based on the terms of the contracts and excludes applicable indirect taxes.

Amounts received or billed in advance of services performed are recorded as advances from customers/unearned revenue.

Unbilled revenue represents amounts recognised based on services performed in advance of billing in accordance with contract terms and is net of estimated allowance for uncertainties and provision for estimated losses.

Liquidated damages and penalties are accounted as per the contract terms wherever there is a delayed delivery attributable to the Company and when there is a reasonable certainty with which the same can be estimated.

Revenues from the sale of software and hardware products are recognised upon delivery/ deemed delivery, which is when title passes to the customer, along with risk and rewards.

Reimbursement/recoveries from customers are separately identified as contractual receivables when no significant uncertainty as to measurability or collectability exists.

The Company recognizes unearned finance income as financing revenue over the lease term using the effective interest method.

Dividend income is recognised when the Company's right to receive dividend is established. Interest income is recognised on time proportion basis.

2.10 Government grants:

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of the depreciable asset by way of reduced depreciation charge. Grants in the nature of capital subsidy are treated as capital reserve based on receipt/eligibility.

Grants related to revenue are accounted for as other income in the period in which the related costs which they intend to compensate are accounted for to the extent there is no uncertainty in receiving the same. Incentives which are in the nature of subsidies given by the Government which are based on the performance of the Company are recognised in the year of performance/eligibility in accordance with the related scheme.

Government grants in the form of non-monetary assets, given at a concessional rate, are accounted for at their acquisition costs.

2.11 Foreign currency transactions:

(i) Foreign currency transactions and translations:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the period end rates. The exchange differences between the rate prevailing on the date of transaction and on the date of settlement / translation of monetary items at the end of the period is recognised as income or expense, as the case may be.

Any premium or discount arising at the inception of the forward exchange contract is recognised as income or expense over the life of the contract, except in the case where the contract is designated as a cash flow hedge.

(ii) Derivative instruments and hedge accounting:

The Company uses foreign currency forward contracts / options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. Effective April 1st, 2007 the Company designates some of these as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurements" (AS 30).

The use of foreign currency forward contracts/options is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The counter party to the Company's foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract/ option derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve (under Reserves and Surplus) and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

The accumulated gains / losses on the derivatives accounted in Hedging Reserve are transferred to the Statement of Profit and Loss in the same period in which gains / losses on the item hedged are recognized in the Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. When hedge accounting is discontinued for a cash flow hedge, the net gain or loss will remain in Hedging Reserve and be reclassified to the Statement of Profit and Loss in the same period or periods during which the formerly hedged transaction is reported in the Statement of Profit and Loss. If a hedged transaction is no longer expected to occur, the net cumulative gains / losses recognised in Hedging Reserve is transferred to the Statement of Profit and Loss.

2.12 Employee Benefits:

(i) Gratuity:

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method.

Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur (refer note 52 below).

(ii) Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Profit and Loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company.

The Company has no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

(iii) Superannuation and ESIC:

Superannuation fund and employees' state insurance scheme (ESI), which are defined contribution schemes, are charged to the Statement of Profit and Loss on accrual basis.

(iv) Compensated absences:

The Company provides for the encashment of leave subject to certain Company's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

The company also offers a short term benefit in the form of encashment of unavailed accumulated leave above certain limit for all of its employees and same is being provided for in the books at actual cost.

(v) Other short term employee benefits:

Other short-term employee benefits, including overseas social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

2.13 Borrowing costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Statement of Profit and Loss.

2.14 Taxation:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability is considered as an asset if there is convincing evidence that the Company will pay normal tax after the tax holiday period. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred tax assets and liabilities are recognised for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent years and are measured using relevant enacted tax rates. The carrying amount of deferred tax assets at each Balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.

Tax on distributed profits payable in accordance with the provisions of the Income-Tax Act, 1961 is disclosed in accordance with the Guidance Note on Accounting for Corporate Dividend Tax issued by the Institute of Chartered Accountants of India (ICAI)

2.15 Employee Stock Option Plans:

Stock options granted to the employees are accounted as per the accounting treatment prescribed by the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 (“ESOP Guidelines”) issued by Securities and Exchange Board of India (“SEBI”) and the Guidance Note on Accounting for Employee Share-based Payments, issued by the ICAI. Employees eligible for Employee Stock Option Plan 2010 are granted an option to purchase shares of the company at predetermined exercise price. The stock compensation cost is computed under the intrinsic value method and amortised on the accelerated basis over the vesting period.

2.16 Research and development:

Research costs are expensed as incurred. Development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use the asset and the costs can be measured reliably.

2.17 Earnings per Share:

Basic earnings/ (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors.

For the purpose of calculating diluted earnings/ (loss) per share, the net profit/(loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

2.18 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

Note 3 : Share Capital	**As at March 31, 2014**		As at March 31, 2013	
Share Capital	**Number**	**₹ Million**	Number	₹ Million
- **Authorised**				
Equity Shares of ₹ 10 each	**619,100,000**	**6,191**	175,000,000	1,750
- **Issued, Subscribed & Paid up**				
Equity Shares of ₹ 10 each (refer note 25)	**233,472,886**	**2,335**	128,119,023	1,281
	233,472,886	**2,335**	128,119,023	1,281

Disclosure pursuant Part I of Schedule VI to the Companies Act, 1956
Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	**As at March 31, 2014**		As at March 31, 2013	
	Number	**₹ Million**	Number	₹ Million
Shares outstanding at the beginning of the year	**128,119,023**	**1,281**	127,486,541	1,275
Shares issued during the year	**1,868,467**	**19**	632,482	6
Share issued on account of amalgamation (refer note 25)	**103,485,396**	**1,035**	-	-
Shares outstanding at the end of the year	**233,472,886**	**2,335**	128,119,023	1,281

No of shares held by each shareholder holding more than 5 percent equity shares of the Company are as follows:

Name of Shareholder	**As at March 31, 2014**		As at March 31, 2013	
	No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
Mahindra & Mahindra Limited	**60,676,252**	**25.99**	60,676,252	47.36
TML Benefit Trust	**24,000,000**	**10.28**	-	-
Life Insurance Corporation of India (through various schemes)	**5,370,475**	**2.30**	13,276,058	10.36

Refer note 66 for details relating to stock options.

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors in their meeting on 14th May, 2014 proposed a final dividend of ₹ 20 per equity share. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting.

₹ in Million

	As at March 31, 2014	As at March 31, 2013
Note 4: Reserves and Surplus		
- **Securities Premium Account**		
Opening Balance	**2,828**	2,702
Add: Additions on account of Amalgamation as at April 1, 2011 (refer note 25)	**26,694**	-
Add: Transfer due to amalgamation (pertaining to April 1, 2011 to March 31, 2013) (refer note 25)	**220**	-
Less: Share issue expenses	**(122)**	-
Add : Received during the year from exercise of Stock Options	**468**	62
Add: Transfer from Share Options Outstanding Account	**170**	64
Less: Adjustment of Amalgamation Reserve (refer note 25)	**(2,489)**	-
Closing Balance	**27,768**	2,828
- **Debenture Redemption Reserve**		
Opening Balance	**5,338**	3,990
Add: Transfer from Surplus in Statement of Profit and Loss	**634**	1,348
Less: Transferred to Surplus in Statement of Profit and Loss	**(3,000)**	-
Closing Balance	**2,972**	5,338
- **Share Options Outstanding Account (refer note 2.15 and 66)**		
Opening Balance	**918**	482
Add: Additions on account of Amalgamation as at April 1, 2011 (refer note 25)	**530**	-
Add: Transfer due to amalgamation (pertaining to April 1, 2011 to March 31, 2013) (refer note 25)	**(399)**	-
Add :Amortised Amount of Stock Compensation Cost (net)	**1,312**	500
Less: Transfer to Securities Premium Account	**(170)**	(64)
Closing Balance	**2,191**	918
- **Amalgamation Reserve (refer note 25)**		
Opening Balance	**-**	-
Add : Arising on Amalgamation (net)	**(2,489)**	-
Less : Adjusted against Securities Premium Account	**2,489**	-
Closing Balance	**-**	-
- **General Reserve**		
Opening Balance	**6,451**	5,451
Add: Transfer due to amalgamation (pertaining to April 1, 2011 to March 31, 2013) (refer note 25)	**902**	-
Add: Transfer from Surplus in Statement of Profit and Loss	**5,000**	1,000
Closing Balance	**12,353**	6,451
- **Hedging Reserve (refer note 60)**		
Opening Balance	**(2,486)**	(3,535)
Add: Additions on account of Amalgamation as at April 1, 2011 (refer note 25)	**197**	-
Less: Transfer due to amalgamation (pertaining to April 1, 2011 to March 31, 2013) (refer note 25)	**(38)**	-
Add: Movement during the year (net)	**(3,262)**	1,049
Closing Balance	**(5,589)**	(2,486)

₹ in Million

	As at March 31, 2014	As at March 31, 2013
Note 4: Reserves and Surplus (contd.)		
- **Surplus in Statement of Profit and Loss**		
Opening balance	**27,495**	24,068
Add: Additions on account of Amalgamation as at April 1, 2011 (refer note 25)	**(25,223)**	-
Less: Adjusted against Amalgamation Reserve (net) (refer note 25)	**2,811**	-
Add: Transfer due to amalgamation (pertaining to April 1, 2011 to March 31, 2013) (refer note 25)	**19,735**	-
Add : Reversal of provision on account of Amalgamation (refer note 40)	**64**	-
Add: Net Profit for the year	**26,855**	6,525
Add: Transfer from Debenture Redemption Reserve	**3,000**	-
Less: Final Dividend (refer note 69)	**(1)**	(0)
Less: Proposed Final Dividend (refer note 3)	**(4,669)**	(641)
Less: Tax on Dividend (refer note 3)	**(794)**	(109)
Add: Reversal of dividend on account of amalgamation (refer note 25)	**186**	-
Add: Reversal of Tax on Dividend on account of amalgamation (refer note 25)	**31**	-
Less: Transfer to Debenture Redemption Reserve	**(634)**	(1,348)
Less: Transfer to General Reserve	**(5,000)**	(1,000)
Closing Balance	**43,856**	27,495
	83,551	40,544
Note 5: Long-Term Borrowings		
Secured :		
- **Debentures**		
10.25% (Previous Year: 10.25%) Privately placed Non-Convertible Debentures (Due for redemption on 17th April 2014, at par)	**-**	3,000
(The above debentures are secured by pari passu charge over the immovable property located in Gujarat and Pune. Company has also deposited the title deeds of certain other immovable properties of the Company with the debenture trustees.)		
- **Finance Lease Obligations (refer note 57)**	**50**	-
Lease obligations are secured by the assets financed through the finance lease arrangements and are repayable in the equal monthly installments over a period of 1-5 years and carry a finance charge.		
	50	3,000

	As at March 31, 2014	As at March 31, 2013
		₹ in Million
Note 6: Other Long-Term Liabilities		
- Fair Values of Foreign Exchange Forward and Currency Option Contracts (net) (refer note 60)	**3,659**	2,071
- Security Deposits	**-**	20
- Contractual Obligation (refer note 42)	**-**	179
- Capital Creditors	**82**	-
	3,741	2,270
Note 7: Long-Term Provisions		
- Provision for Employee Benefits		
- Gratuity (refer note 52)	**1,799**	976
- Others	**1,404**	716
	3,203	1,692
Note 8: Short-Term Borrowings		
Secured Loans from Bank:		
- Cash Credit *	**-**	544
Unsecured Loans from Banks:		
- Loans payable on demand	**-**	508
- Export Packing Credit	**-**	4,143
* Cash credit is secured by charge over current assets, present and future, including receivables.		
Inter-Corporate Deposits:		
- Inter-Corporate Deposits from Related Parties (refer note 64)	**-**	2,850
	-	8,045
Note 9: Trade Payables		
- Trade Payables other than Accrued Salaries and Benefits (refer note 64)	**11,456**	5,406
- Accrued Salaries and Benefits	**2,863**	980
	14,319	6,386

₹ in Million

	As at March 31, 2014	As at March 31, 2013
Note 10: Other Current Liabilities		
- Current Maturities of Long Term Debt (Secured Debentures) (refer note 5)	**3,000**	3,000
- Current Maturities of Finance Lease Obligations (refer note 57), (for details of security, refer note 5)	**42**	-
- Deferred Revenue (refer note 51)	**-**	1,708
- Contractual Obligation (refer note 42)	**767**	434
- Interest Accrued but not due on Borrowings	**293**	589
- Fair Values of Foreign Exchange Forward and Currency Option Contracts (net) (refer note 60)	**2,449**	431
- Capital Creditors	**736**	131
- Advance from Customers	**837**	164
- Unearned Revenue	**1,292**	111
- Unclaimed Dividends	**37**	6
- Security Deposits	**-**	5
- Statutory Remittances	**1,900**	537
- Others#	**5,627**	81
# Others mainly Include:		
- Acquired on amalgamation:		
- Aberdeen UK Claims settlement consideration (including interest) payable ₹ **3,628 Million** (refer note 29)		
- Aberdeen US claim settlement consideration payable ₹ **648 Million** (refer note 28)		
- Class action suit settlement consideration payable ₹ **265 Million**		
- Others		
- Discounts payable to Customers ₹ **485 Million** (previous year ₹ 43 Million)		
	16,980	7,197
Note 11: Short-Term Provisions		
- Provision for Employee Benefits		
- Gratuity (refer note 52)	**338**	163
- Others	**991**	510
- Provision for Proposed Final Dividend (refer note 3)	**4,669**	641
- Provision for Tax on Dividend (refer note 3)	**794**	109
- Provision for Income Tax (net of Taxes paid) (refer note 61 and 30.5.2.v)	**3,192**	637
- Provision for Claims and Warranties (refer note 62)	**199**	107
- Provision for Contingencies (refer note 63)	**711**	-
	10,894	2,167

Note 12: Fixed Assets

₹ in Million

	Gross Block					Accumulated Depreciation/Amortisation					Net Block	
	Cost as at April 01, 2013	Additions on Amalgamation (refer note 25)	Additions during the year	Deletions during the year	Balance as at March 31, 2014	As at April 01, 2013	Additions on Amalgamation (refer note 25)	For the year	Deductions during the year	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
a Tangible Assets												
Freehold Land	175	425	187	-	787	-	-	-	-	-	787	175
Leasehold Land	678	277	197	-	1,152	87	12	136	-	235	917	591
Buildings	5,358	6,146	2,003	-	13,507	1,642	1,132	506	0	3,280	10,227	3,716
Plant and Equipments	3,074	6,356	1,099	341	10,188	2,017	4,736	1,145	303	7,595	2,593	1,057
Furniture and Fixtures	2,048	2,365	474	243	4,644	1,411	1,813	451	204	3,471	1,173	637
Vehicles	48	189	18	38	217	39	178	14	38	193	24	9
Computers	2,833	4,272	1,664	833	7,936	2,367	3,887	751	797	6,209	1,727	466
Office Equipments	552	337	139	52	976	398	299	95	50	742	234	154
Leasehold Improvements	758	745	40	508	1,035	430	689	169	440	848	187	328
Taken on Finance Lease :												
Plant and Equipments	-	167	-	-	167	-	167	-	-	167	-	-
Furniture & Fixtures	-	286	-	286	-	-	269	13	282	-	-	-
Vehicles	-	154	11	11	154	-	44	43	3	84	70	-
Total (a)	**15,524**	**21,719**	**5,832**	**2,312**	**40,763**	**8,391**	**13,226**	**3,323**	**2,116**	**22,824**	**17,939**	**7,133**
Previous year	13,755	-	2,120	351	15,524	7,292	-	1,436	337	8,391	7,133	6,463
b Intangible Assets												
Intellectual Property Rights	76	-	-	-	76	76	-	-	-	76	-	-
Software (other than internally generated)	199	1,802	1,276	1,653	1,624	131	1,802	947	1,653	1,227	397	68
Total (b)	**275**	**1,802**	**1,276**	**1,653**	**1,700**	**207**	**1,802**	**947**	**1,653**	**1,303**	**397**	**68**
Previous year	214	-	143	82	275	151	-	134	78	207	68	63
Grand Total (a+b)	**15,799**	**23,521**	**7,108**	**3,965**	**42,463**	**8,598**	**15,028**	**4,270**	**3,769**	**24,127**	**18,336**	**7,201**
Previous year	13,969	-	2,263	433	15,799	7,443	-	1,570	415	8,598	7,201	6,526
c Capital Work-in-Progress											2,640	284
Total											**20,976**	**7,485**

Notes:

i) Depreciation includes accelerated/additional depreciation on certain assets amounting to ₹ 182 Million (previous year Nil).

ii) Gross Block of Buildings includes ₹ 38 Million (previous year Nil) the cost of building constructed on land taken on lease by the Company.

iii) In respect of certain freehold lands and buildings, the Company has received a provisional attachment order from the Income tax authorities which has since been stayed by orders passed by the Hon'ble High Court of Andhra Pradesh. (refer note 30.5.2.iii).

₹ in Million

	As at March 31, 2014	As at March 31, 2013
Note 13: Non-Current Investments		
(at cost, unless otherwise specified)		
(A) Trade		
(a) In Subsidiaries - unquoted		
375,000 Ordinary Shares (previous year 375,000) of US $ 1 each fully paid-up of Tech Mahindra (Americas) Inc.	**12**	12
3 Shares of Euro 25,000, 50,000 and 500,000 each, fully paid-up of Tech Mahindra GmbH (refer note i below)	**389**	389
Less : Provision for Diminution (refer note 36)	**354**	354
	35	35
5,000 Equity Shares (previous year 5,000) of SGD 10 each fully paid-up of Tech Mahindra (Singapore) Pte. Limited.	**1**	1
60,000 Equity Shares (previous year 50,000) of Tech Mahindra (Thailand) Limited of THB 100 each fully paid-up. (refer note 46)	**8**	6
50,000 Equity Shares (previous year 50,000) of Tech Mahindra Foundation of ₹ 10 each fully paid-up	**1**	1
500,000 Equity Shares (previous year 500,000) of PT Tech Mahindra Indonesia of US $ 1 each fully paid-up	**22**	22
Nil Equity Shares (previous year 5,767,330) of CanvasM Technologies Limited of ₹ 100 each fully paid-up (refer note 25)	**-**	603
312,820 Equity Shares (previous year 312,820) of Tech Mahindra (Malaysia) Sdn Bhd of Ringgit 1 each fully paid-up	**4**	4
Tech Mahindra (Beijing) IT Services Limited (refer note iii below and 47)	**22**	22
Nil Equity Shares (previous year 30,472,300) of Venturbay Consultants Private Limited of ₹ 10 each fully paid-up (refer note 25)	**-**	30,461
Nil Equity Shares (previous year 12,450,000) of Mahindra Logisoft Business Solutions Limited of ₹ 10 each fully paid-up (refer note 25)	**-**	112
500 Equity Shares (previous year 500) of Tech Mahindra (Bahrain) Limited S.P.C. of BD 100 each fully paid-up	**6**	6
153,040,026 Equity Shares (previous year 153,040,026) of Tech Mahindra (Nigeria) Limited of Naira 1 each fully paid up	**46**	46
1,000,000 Equity Shares (previous year 50,000) of Tech Mahindra Business Services Limited (formerly known as Hutchison Global Services Limited) of ₹ 10 each fully paid up (refer note 41)	**4,873**	4,873
14,675,088 Equity Shares (previous year 12,172,658) of Comviva Technologies Limited of ₹ 10 each fully paid up (refer note 42)	**2,772**	1,862
51 Equity Shares (previous year 51) of Tech Mahindra South Africa (Pty) Limited of 1 ZAR each fully paid up	**0**	0
654,000 Equity Shares (previous year Nil) in Tech Mahindra ICT Services (Malaysia) SDN. BHD of MYR 1 each fully paid up	**12**	-

₹ in Million

	As at March 31, 2014	As at March 31, 2013
Note 13: Non-Current Investments (contd)		
- **Investment acquired on Amalgamation (refer note 25)**		
100,000 Common Stock of Tech Mahindra Technologies Inc. (formerly known as Satyam Technologies Inc.) of US $ 0.01 each, fully paid-up	202	-
Less: Provision for diminution in value of investment (refer note 39)	178	-
	24	-
33,104,319 Equity Shares of Tech Mahindra BPO Limited (formerly known as Satyam BPO Limited) ₹ 10 each, fully paid-up	2,735	-
Less: Provision for diminution in value of investment (refer note 39)	2,735	-
	-	-
Satyam Computer Services (Shanghai) Co. Limited (refer note iii below)	628	-
Less: Provision for diminution in value of investment (refer note 39)	283	-
	345	-
Satyam Computer Services (Nanjing) Co. Limited (refer note iii below and 44)	352	-
Less: Provision for diminution in value of investment (refer note 39)	311	-
	41	-
10,500 Nominal Shares of Satyam Computer Services (Egypt) S.A.E US $ 100 each, partly paid-up (refer note v below)	11	-
Less: Provision for diminution in value of investment (refer note 39)	11	-
	-	-
11,241,000 Ordinary Shares of Citisoft Plc. of GBP 0.01 each, fully paid up	1,131	-
Less: Provision for diminution in value of investment (refer note 39)	613	-
	518	-
Nil Membership Interests in Bridge Strategy Group LLC (refer note 64 (ix))	-	-
Less: Provision for diminution in value of investment (refer note 64 (ix))	-	-
	-	-
247,008,760 Shares of Satyam Computer Services Belgium, BVBA of EUR 0.10 each, fully paid up	1,440	-
Less: Provision for diminution in value of investment (refer note 39)	1,124	-
	316	-
196,856 Quotas of Tech Mahindra Servicos De Informatica LTDA. (formerly known as Satyam Servicos De Informatica LTDA.) of Real's 100 each fully paid-up (refer note 43)	537	-
100% Membership Interests in vCustomer Services LLC	1,020	-
9,000,000 Equity Shares of New vC Services Private Limited of ₹ 10 each fully paid up	96	-
3,544,480 Equity Shares of Satyam Venture Engineering Services Private Limited of ₹ 10 each fully-paid	36	-
10,000 Equity Shares of Mahindra Educational Institution of ₹ 10 each fully paid (refer note 64 (xviii))	0	-
Sub-total (a)	**10,747**	38,067

₹ in Million

		As at March 31, 2014	As at March 31, 2013
Note 13: Non-Current Investments (contd)			
(b)	**Other Investments**		
-	**Unquoted**		
-	**In Equity Shares:**		
	4,232,622 Ordinary Shares (previous year 4,232,622) of Servista Limited of GBP 0.002 each fully paid up	**1**	1
-	**In Preference Shares:**		
	1,603,380 E1 Preference Shares (previous year 1,603,380) of Servista Limited of GBP 0.002 each fully paid up	**54**	54
	896,620 E2 Preference Shares (previous year 896,620) of Servista Limited of GBP 0.02 each fully paid up	**30**	30
		85	85
	Less : Provision for Diminution (refer note 37)	**85**	85
		-	-
-	**Quoted**		
-	**Investment acquired on Amalgamation (refer note 25)**		
	5,147,058 Equity Shares of Dion Global Solutions Limited of ₹ 10 each, fully paid up	**350**	-
	Less: Provision for Diminution (refer note 38)	**243**	-
		107	-
	Sub-total (b)	**107**	-
(c)	**Investment in entities which are liquidated/ dissolved**		
-	**Investment acquired on Amalgamation (refer note 25)**		
	In subsidiaries - unquoted		
	1,000,000 Equity Shares of Satyam (Europe) Limited of GBP 1 each, fully paid-up (refer note iv below)	**70**	-
	Less: Provision for diminution in value of investment (refer note 39)	**70**	-
		-	-
	425,000,000 Common Stock of Vision Compass, Inc. of US $ 0.01 each, fully paid-up (refer note iv below)	**899**	-
	Less: Provision for diminution in value of investment (refer note 39)	**899**	-
		-	-
	Nil Ordinary Shares of Knowledge Dynamics Pte Ltd of SGD 0.01 each, fully paid up (refer note 48)	**-**	-
	Less: Provision for diminution in value of investment (refer note 48)	**-**	-
		-	-
	700 "A" Shares of GBP 1 each and 300 "B" Shares of GBP 1 each, fully-paid of Nitor Global Solutions Limited (refer note iv below and 49)	**139**	-
	Less: Provision for diminution in value of investment (refer note 39 and 49)	**139**	-
		-	-

₹ in Million

	As at March 31, 2014	As at March 31, 2013
Note 13: Non-Current Investments (contd)		
Other Investments - unquoted		
334,000 Shares of 'A' Series preferred stock of Cormed, Inc. (formerly known as Medbiquitous Services, Inc.), of US $ 0.001 each, fully paid-up (refer note iv below)	**16**	-
Less: Provision for diminution in value of investment (refer note 39)	**16**	-
	-	-
577,917 Class 'A' Units Representing a total value of US $ 540,750 of Avabal, LLC. (formerly known as Avante Global, LLC.), (refer note iv below)	**25**	-
Less: Provision for diminution in value of investment (refer note 39)	**25**	-
	-	-
Sub-total (c)	**-**	-
Sub total (A) (a+b+c)	**10,854**	38,067
(B) In Bonds and Trust Securities - unquoted		
Treasury Bonds and Bills (refer note ii below)	**15**	8
Investment in TML Odd lot Trust	**0**	-
TML Benefit Trust	**0**	-
Interest in TML Benefit Trust (refer note 25)	**12,071**	-
National Savings Certificates VIII Series (Lodged as Security with Government Authorities)	**0**	-
Sub-total (B)	**12,086**	8
Total (A+B)	**22,940**	38,075

Note :

i) Includes ₹ 360 Million (previous year: ₹ 360 Million) invested towards capital reserve of the company in accordance with the German Commercial Code

ii) As per statutory requirements for overseas branches

iii) Investment in this entity is not denominated in number of shares as per laws of the People's Republic of China.

iv) These companies have been liquidated/dissolved as per the laws of the respective countries. However, the company is awaiting approval from Reserve Bank of India for writing off the investments from the books of the company. The outstanding amounts of investments in these companies have been fully provided.

v) The company is under the process of liquidation.

₹ in Million

	As at March 31, 2014	As at March 31, 2013
Aggregate amount of Quoted Investments	**350**	-
Aggregate market value of Quoted Investments	**162**	-
Aggregate amount of Unquoted Investments	**29,676**	38,514
Aggregate amount of Provision for Diminution in value of Investments	**7,086**	439

₹ in Million

	As at March 31, 2014	As at March 31, 2013
Note 14: Long-Term Loans and Advances		
(Unsecured, considered good unless otherwise stated)		
- Capital Advances		
Considered Good	**1,266**	116
Considered Doubtful	**8**	5
	1,274	121
Less: Provision	**8**	5
	1,266	116
- Security Deposits		
Considered Good	**1,094**	487
Considered Doubtful	**93**	16
	1,187	503
Less: Provision	**93**	16
	1,094	487
- Advances to Related Parties (refer note 64)		
Considered Good	**296**	52
Considered Doubtful	**417**	28
	713	80
Less: Provision	**417**	28
	296	52
- Loans to Related Parties (refer note 64)	**1,498**	109
- Advance Income Taxes (Net of provisions)	**2,997**	2,820
- Balance with Government Authorities		
Considered Good	**1,696**	312
Considered Doubtful	**62**	-
	1,758	312
Less: Provision	**62**	-
	1,696	312
- Share Application money given to subsidiaries (refer note 64)		
Considered Good	**-**	-
Considered Doubtful	**66**	-
	66	-
Less: Provision	**66**	-
	-	-
- Prepaid Expenses	**559**	482
- Others		
Considered Good	**-**	118
Considered Doubtful	**199**	26
	199	144
Less: Provision	**199**	26
	-	118
	9,406	4,496

₹ in Million

	As at March 31, 2014	As at March 31, 2013
Note 15: Other Non-Current Assets		
- Trade Receivables # (Unsecured)		
Considered Good	-	-
Considered Doubtful	2,749	-
	2,749	-
Less: Provision	2,749	-
	-	-
- Lease Receivable		
Considered Good	-	-
Considered Doubtful (refer note 58)	231	231
	231	231
Less : Provision (refer note 58)	231	231
	-	-
- Margin Money Deposits having maturities of more than 12 months from the Balance Sheet date	143	-
- Interest Receivable		
- Interest Accrued on Bank Deposits	14	-
- Others #	0	-
	157	-

Refer note 64

	As at March 31, 2014	As at March 31, 2013
Note 16: Current Investments		
- Investment acquired on Amalgamation (refer note 25)		
- Current portion of Long Term Investment - unquoted		
833,333 Shares of USD 0.20 each of Upaid Systems Limited fully paid-up #	109	-
Less: Provision for Diminution in value of Investment	109	-
	-	-
	-	-
Aggregate Amount of Unquoted Investments	109	-
Aggregate amount of Provision for Diminution in value of Investments	109	-

In terms of the Settlement Agreement with Upaid, the Company has exchanged all shares it holds in Upaid for consideration received and awaits approval from Reserve Bank of India for adjusting the same against the cost of investment.

	As at March 31, 2014	As at March 31, 2013
Note 17: Trade Receivables		
- Trade Receivables # (Unsecured)		
Over Six Months		
Considered Good*	2,505	846
Considered Doubtful (refer note 58)	2,380	551
Others		
Considered Good**	36,772	12,879
Considered Doubtful	637	10
	42,294	14,286
Less: Provision for Doubtful Receivables (refer note 58)	3,016	561
	39,278	13,725

refer note 64

* Net of remittances received aggregating to ₹ **1,108 Million** (previous year: ₹ 273 Million) pending adjustments against invoices

** Net of remittances received aggregating to ₹ **1,505 Million** (previous year: ₹ 638 Million) pending adjustments against invoices

₹ in Million

	As at March 31, 2014	As at March 31, 2013
Note 18: Cash and Bank Balances		
- **Cash and Cash Equivalents**		
Balances with Banks		
In Current Accounts	**10,637**	2,687
In Deposit Accounts (refer note 1 below)	**12,889**	18
Sub total (a)	**23,526**	2,705
- **Other Bank Balances**		
Earmarked Balances with Banks		
Unclaimed Dividend	**37**	6
Balances held as Margin Money/Security towards obtaining Bank Guarantees (refer note 2 below)	**4,523**	-
Balance held under Escrow Account	**177**	-
Sub total (b)	**4,737**	6
Total (a) + (b)	**28,263**	2,711

Notes:

1. Balances in deposit accounts includes certain fixed deposits of the Company aggregating ₹ 8,220 Million which were provisionally attached vide Order dated October 18, 2012 by the Directorate of Enforcement (ED) ("the Order"). The Hon'ble High court of Andhra Pradesh (" the Court") has, pending further orders, granted stay of the said Order and all proceedings thereto vide its order dated December 11, 2012. The ED has challenged the interim order passed by the Single Judge before the Division Bench of the Court which is pending disposal. The ED has also filed a miscellaneous petition before the Court on June 3, 2013 to direct the banks with whom fixed deposits are held, not to allow the erstwhile Satyam to redeem/ pre-close the said Fixed Deposits pending disposal of the Writ Appeal. The petition is pending hearing (refer note 27.3)
2. Balances held as margin money/ security towards obtaining bank guarantees includes certain fixed deposits of the Company aggregating ₹ 4,320 Million which have been kept as margin money/ security towards obtaining the bank guarantee towards president of India through the Assistant Commissioner of the Income tax, Mumbai (refer note 30.5.2.iii)

Note 19: Short-Term Loans and Advances		
(Unsecured, considered good unless otherwise stated)		
- Advances to Related Parties (refer note 64)		
Considered Good	**502**	399
Considered Doubtful	**-**	-
	502	399
Less : Provision	**-**	-
	502	399
- Loans to Related Parties (refer note 64)	**300**	-
- Loans and Advances to Employees		
Considered Good	**455**	198
Considered Doubtful	**99**	-
	554	198
Less: Provision	**99**	-
	455	198

₹ in Million

	As at March 31, 2014	As at March 31, 2013
Note 19: Short-Term Loans and Advances (contd)		
- Balance with Government Authorities		
Considered Good	**5,454**	1,969
Considered Doubtful	**-**	-
	5,454	1,969
Less : Provision	**-**	-
	5,454	1,969
- Prepaid Expenses	**1,653**	699
- Others#		
Considered Good	**5,116**	45
Considered Doubtful	**169**	96
	5,285	141
Less : Provision	**169**	96
	5,116	45
# Others mainly include		
- Amount deposited and held in escrow account ₹ **3,628 Million** (USD 68.16 Million) towards Aberdeen UK settlement consideration and interest.(refer note 29)		
- Includes amount deposited and held in escrow account ₹ **648 Million** (USD 12 Million) towards Aberdeen US claims settlement consideration. (refer note 28)		
- Includes amount deposited and held in initial escrow account ₹ **265 Million** towards class action settlement consideration.		
	13,480	3,310
Note 20: Other Current Assets		
(Unsecured, considered good unless otherwise stated)		
- Unbilled Revenue # (net of provision of ₹ 3 Million (previous year Nil))	**8,808**	1,839
- Interest Accrued on Deposits	**585**	0
- Contractually Reimbursable Expenses #		
Considered Good	**390**	-
Considered Doubtful	**47**	-
	437	-
Less : Provision	**47**	-
	390	-
	9,783	1,839

Refer note 64

₹ in Million

	Year Ended March 31, 2014	Year Ended March 31, 2013
Note 21: Other Income (net)		
- Interest on:		
Deposit with Banks	**1,924**	1
Others	**21**	17
	1,945	18
- Foreign Exchange Gain/(Loss) - (net)	**(2,427)**	(1,291)
- Rent Income	**179**	35
- Dividend Income on Current Investments	**59**	10
- Sundry Balances Written Back	**433**	166
- Provision of non-current investments no longer required (refer note 64)	**217**	-
- Miscellaneous Income	**297**	110
	703	(952)
Note 22: Employee Benefits Expense		
- Salaries and Incentives	**64,505**	22,732
- Contribution to Provident and Other Funds (refer note 52)	**3,515**	1,381
- Gratuity (refer note 52)	**60**	208
- Employee Stock Compensation Cost (net) (refer note 66)	**1,312**	500
- Staff Welfare Expenses	**323**	317
	69,715	25,138
Note 23: Operating and Other Expenses		
- Power and Fuel	**1,204**	600
- Rent	**1,394**	971
- Rates and Taxes	**211**	64
- Communication Expenses	**1,203**	674
- Travelling Expenses	**6,160**	1,955
- Recruitment Expenses	**326**	74
- Training	**180**	91
- Hire Charges	**633**	355
- Professional and Legal Fees (refer note 53)	**1,148**	561
- Repairs and Maintenance :		
Buildings (Including Leased Premises)	**152**	110
Machinery and Computers	**1,033**	294
Others	**305**	108
	1,490	512

₹ in Million

	Year Ended March 31, 2014	Year Ended March 31, 2013
Note 23: Operating and Other Expenses (contd)		
- Insurance	**1,266**	326
- Software, Hardware and Project Specific Expenses	**3,994**	619
- Claims and Warranties (Net) (refer note 62)	**102**	1
- Advertising, Marketing and Selling Expenses	**933**	50
- General Office Expenses	**1,070**	402
- (Profit) / Loss on Sale of Fixed Assets (Net)	**(104)**	(21)
- Provision for Impairment in Non Current Investment	**243**	-
- Provision for Doubtful Receivables, Unbilled Revenue and Bad Debts written off		
Provided during the year	**2,477**	103
Bad Debts written off	**321**	16
Less: Provision reversed during the year	**(1,644)**	-
	1,154	119
- Provision for Doubtful Advances, Deposits and Advances written off		
Provided during the year	**250**	54
Advances written off	**190**	13
Less: Provision reversed during the year	**(194)**	-
	246	67
- Cash Discount	**287**	-
- Donations	**348**	99
- Miscellaneous Expenses	**123**	54
	23,611	7,573
Note 24: Finance Costs		
- Interest Expense:		
On Debentures and Long Term Loans	**320**	615
On Short Term Loans and Cash Credit	**56**	89
On Inter-Corporate Deposits	**126**	231
Others #	**269**	-
	771	935
- Foreign Currency Translations	**97**	155
	868	1,090

Current year charge includes interest on taxes ₹ **124 Million.**

Notes on Accounts:

25. 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 has issued 2 equity shares of ₹ 10 each fully paid up in respect of every 17 equity shares of ₹ 2 each in the equity share capital of Satyam, aggregating 103 Million equity shares.

The Company transferred, out of its total holding in Satyam as on April 1, 2011, 204 Million 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.

25.1 General nature of business of the amalgamating companies

- Satyam is leading information, communications and technology (ICT) company providing a range of business consulting, information technology and communication services to companies across multiple industries and geographies.
- Venturbay is engaged in providing programming and software solutions, information technology, networking and consultancy services.
- CanvasM is engaged in the business of information technology (IT) and software services relating to developing, improving, designing, assembling, marketing, and allied activities including dealing in all types of computer programming, system software, data processing and warehousing, data base management systems and interactive multimedia and peripheral products.
- Logisoft is engaged in the business of information technology services relating to design and development of dealership management systems and IT software services.
- C&S is engaged in the business of providing information technology (IT) and software services relating to solutions and consultation in the space of learning management, communications and collaborations management, document and workflow management, eSecurity, identity, access and building management, managed services, etc.

The amalgamating companies operating in specialized domains of the information technology as indicated above, amalgamating the business in a single entity provides for consolidating the information technology business bringing in synergy benefits, enhanced depth and breadth of capabilities, attain efficiencies and reduce overall cost.

25.2 Accounting treatment of the amalgamation

The amalgamation is accounted under the 'pooling of interest' method as per Accounting Standard 14 as notified under Section 211(3C) of the Companies Act, 1956 and as modified under the Scheme as under:

- All assets and liabilities (including contingent liabilities), reserves, benefits under income tax, benefits for and under special economic zone registrations, duties and obligations of Satyam, Venturbay, CanvasM, Logisoft and C&S have been recorded in the books of account of the Company at their existing carrying amounts and in the same form.
- The amount of Share Capital of Venturbay, CanvasM, Logisoft, Satyam and C&S have been adjusted against the corresponding investment balances held by the Company in the amalgamating companies and the equity shares issued by the Company pursuant to the Scheme and the excess of investments (gross) over the Share Capital, as given below, have been adjusted to reserves ("Amalgamation Reserve").
- Accordingly, the amalgamation has resulted in transfer of assets and liabilities in accordance with the terms of the Scheme at the following summarised values:

(₹ **in Million**)

Particulars	**Amount**
Fixed Assets (net)	8,493
Capital Work in Progress	2,252
Non-Current Investments	32,525
Deferred Tax Asset	1,681
Current Investments	-
Trade Receivables	16,934
Cash and cash equivalents	21,004
Other cash and bank balances	6,400
Loans and Advances (long term and short term)	20,920
Liabilities and provisions (long term and short term)	(37,025)
Long-Term and Short-Term Borrowings	(215)
Net Assets	72,969

Net difference between Investments and share capital of amalgamating companies	(1,357)
Add: Equity shares issued pursuant to the scheme of amalgamation	1,035
Debit balance in statement of profit and loss as of April 01, 2011	2,811
Debit balance in Amalgamation reserve	2,489

- Further, in accordance with the Scheme, the debit balance in the Amalgamation Reserve as of April 1, 2011, if any, pursuant to the amalgamation have been adjusted against the securities premium account. The application and reduction of the securities premium account is effected as an integral part of the sanctioned Scheme which is also deemed to be the order under Section 102 of the Companies Act, 1956 (the "Act") confirming the reduction. Accordingly, the aforesaid balance in Amalgamation Reserve aggregating ₹ 2,489 Million as of April 1, 2011 has been adjusted against the securities premium account.

The Board of erstwhile Satyam had for the year ended March 31, 2013 proposed a dividend of ₹ 0.60 per equity share amounting to ₹ 826 Million (including dividend tax thereon), which was provided for in its financial statements for the year ended March 31, 2013. Since the merger has become effective on June 24, 2013, the dividend could not be approved by the shareholders in the AGM which was scheduled to be held on 2nd August 2013. Erstwhile Satyam shareholders, who have been issued TechM shares in the ratio of 2 shares in TechM for 17 shares in erstwhile Satyam, became entitled to dividend of ₹ 5 per share. As shares of erstwhile Satyam held by Venturbay are cancelled on the merger, there is an excess provision of dividend of ₹ 217 Million, relating to the said shares of Venturbay that have been cancelled, which has been reversed from the proposed dividend.

The Board of Directors in its meeting held on June 25, 2013 had fixed July 5, 2013 as the Record Date for determining the shareholders of erstwhile Satyam who would be entitled to receive shares of the Company in the ratio of 2 equity Shares of ₹ 10/- each fully paid up in respect of 17 equity shares of ₹ 2/- each fully paid up of erstwhile Satyam in accordance with approved Scheme of Amalgamation and Arrangement. On July 6, 2013, the Securities Allotment Committee of the Board of Directors of the Company have allotted 103,485,396 equity shares of face value of ₹ 10/- each fully paid-up of the Company to the shareholders of erstwhile Satyam ranking pari-passu in all respects with the existing equity shares of the Company.

25.3 Other adjustments / matters arising out of amalgamation

In terms of the Scheme, the appointed date of the amalgamation being April 1, 2011, net profit from the amalgamating companies during the financial years 2011-12 and 2012-13 aggregating ₹ 19,735 Million has been transferred, to the extent not accounted already, to the Surplus in Statement of Profit and Loss in the books of the Company upon amalgamation.

As the Scheme has become effective from June 24, 2013 the figures for the current period includes the operations of the amalgamating companies. Accordingly, the figures for the year ended March 31, 2014 are after giving effect to the merger, while the comparative figures are before giving effect to the merger and, hence are not comparable.

25.4 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.

25.5 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.

26. Proposed Amalgamation with Mahindra Engineering Services Limited

The Board of Directors of Tech Mahindra Limited 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 TechM. The Appointed date of the Scheme is April 1, 2013.

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

The Company has received approval from Competition Commission of India (CCI) on January 10, 2014. Approvals from Bombay Stock Exchange and the National Stock Exchange are received on March 7, 2014. The Company is in process of filing the scheme with High Court of Bombay.

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

27. Certain matters relating to investigations pertaining to erstwhile Satyam Computer Services Limited (erstwhile Satyam):

27.1 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, information sought 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 since 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.

27.2 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 ₹ 11,393 Million (net debit) was identified in the financial statements of erstwhile Satyam as at March 31, 2009 under “Unexplained differences suspense account (net)” comprising (i) ₹ 173 Million (net debit) where complete information was not available and (ii) ₹ 11,220 Million (net debit) being fictitious assets and unrecorded loans in the opening balance as at April

2002. On grounds of prudence, these amounts had been provided for by erstwhile Satyam in the financial year ended March 31, 2009. As there is no further information available with the Management even after the lapse of more than three years, the said amount of ₹ 11,393 Million has been 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 ₹ 12,304 Million (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 27.3 below.

27.3 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 ₹ 12,304 Million 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 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 ₹ 8,220 Million 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 ₹ 8,220 Million 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 thirty seven 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.

Some petitions (except in the case of one petition where court fees have been paid and the pauper petition converted into a suit which is pending disposal), are before the Court, at the stage of rejection / trial of pauperism.

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 company received summons dated 26th February 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.

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.

27.4 Documents seized by CBI/other authorities

Pursuant to the investigations conducted by CBI/other authorities, most of the relevant documents in possession of erstwhile Satyam relating to period affected by the financial irregularities were seized by the CBI. On petitions filed by erstwhile Satyam, the ACMM granted partial access to it including for taking photo copies of the relevant documents as may be required in the presence of the CBI officials. Further, there were also certain documents which were seized by other authorities such as the Income Tax Authorities, of which erstwhile Satyam could only obtain photo copies.

27.5 Management's assessment of the identified financial irregularities

As per the assessment of the Management, based on the forensic investigation and the information available upto 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 regulators / agencies and the erstwhile Satyam has not received any further information as a result of the various ongoing investigations against the erstwhile Satyam which requires 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.

28. Aberdeen action (USA)

On November 13, 2009, a trustee of two trusts that are purported assignees of the claims of twenty investors who had invested in the erstwhile Satyam's ADS and common stock, filed a complaint against erstwhile Satyam, its former auditors and others (the "Action") alleging the losses suffered by the twenty investors (Claimants) is over USD 68 Million.

On July 27, 2012, the erstwhile Satyam entered into an Agreement of Settlement ("the Settlement") with Aberdeen Claims Administration, Inc., the trustee for the two trusts and twenty underlying investors.

The obligations incurred pursuant to the Settlement are in full and final disposition of the Action and the appropriate consent order of the Court in the Southern District of New York has been received on July 30, 2012. In terms of the Settlement, erstwhile Satyam has deposited in an Escrow Account an amount of USD 12 Million ("Settlement Amount") during the financial year ended March 31, 2013. Remittance out of the Escrow is subject to determination of appropriate withholding tax by the Authority for Advance Ruling (AAR).

29. Aberdeen (UK) complaint

In April 2012, erstwhile Satyam was served with an Amended Claim Form and Amended Particulars of claim dated December 22, 2011, initiating proceedings in the Commercial Court in London ("the English Court") by Aberdeen Asset Management PLC on behalf of 23 "Claimants" who are said to represent 30 funds who had invested in the Company's common stock that traded on the exchanges in India. On December 12, 2012, the Company entered into a confidential Settlement Agreement ("the Settlement") settling claims brought in the English Court by Aberdeen Global and twenty-two other funds (collectively, the "Claimants") managed by Aberdeen Asset Management PLC ("Aberdeen") and/or its subsidiaries (the "Claims"). The Claims included certain allegations of fraudulent misrepresentations said to have been made by the former management of erstwhile Satyam in London and relied upon by the Claimants' investment manager and/ or communicated in meetings alleged to have taken place in London. The Claimants have claimed that they have suffered losses of an estimated sum of USD 298 Million and additional consequential losses. By virtue of the Settlement, the Claims have been fully and finally disposed off on the basis of, inter-alia, a payment to be made by the Company of USD 68 Million ("Settlement Amount").

In terms of the Settlement, erstwhile Satyam has deposited a total amount of USD 68.16 Million towards the Settlement Amount and interest in an Escrow Account during financial year ended March 31, 2013. Remittance out of the Escrow is subject to determination of appropriate withholding tax by the Authority for Advance Ruling (AAR).

30. Commitment and Contingencies:

30.1 Capital Commitments

i. The estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at March 31, 2014 is ₹ **9, 441 Million** (previous year : ₹ 369 Million).

ii. In respect of land refer note 32(c).

30.2 Purchase commitments to / in respect of investments / subsidiaries

i. In September 2012, erstwhile Satyam had entered into a Subscription and Shareholders' agreement with SBI Hong Kong Holdings Co. Limited to set up a Joint Venture in Singapore with an investment of USD 25 Million (₹ 1,498 Million) to invest in promising companies in the information and communication technology sector, which was subject to approval of Reserve Bank of India (RBI). Post receipt of the RBI approval, the said joint venture was formed namely Global ICT Investment Holdings Pte. Ltd (Global ICT) in Singapore in September 2013. Global ICT is a 50:50 joint venture between SBI Hong Kong Holdings Co. Limited and the company. As of March 31, 2014, there is neither capital infused in Global ICT by either of the joint venturers nor Global ICT has commenced its operations.

ii. On February 15, 2013, erstwhile Satyam had entered in to a joint venture agreement with Complex IT Services Constultoria EM Informatica LTDA for purchase of 51% stake in Complex IT Solutions Consultoria EM Informatica S.A. ("Complex Solutions") for a total cash consideration of up to USD 23 Million, comprising an upfront consideration of USD 6.50 Million paid in May 2013 and a contingent consideration of up to USD 16.50 Million (equivalent to ₹ 989 Million) payable during FY 2014-15.

iii. The Company has entered into a preferred stock purchase agreement on 18th April 2014 for acquiring 75 % stake in the equity of FixStream Networks Inc. USA for a consideration not exceeding USD 10 Million (₹ 604 Million), which was remitted in April 2014.

30.3 Other commitments

The company has outstanding commitments with respect to discharge of services to an international sports federation amounting to ₹ 380 Million as at March 31, 2014.

Contingent Liabilities -

30.4 Bank Guarantees / comfort letters/ corporate guarantee outstanding as at March 31, 2014 are of ₹ **9,761 Million** (previous year: ₹ 1,063 Million).

30.5 Income Taxes

30.5.1 Income Taxes / Fringe Benefit Tax

The Company has received demand notices from Income Tax Authorities resulting in a contingent liability of ₹ **4,407 Million** (previous year: ₹ 3,843 Million). This is mainly on account of the following:

i. An amount of ₹ **822 Million** (previous year: ₹ 508 Million) relating to Transfer pricing adjustment on account of arm's length transactions. The Company has filed an appeal against the same. For the Assessment year 2010-11, the Company has received draft assessment order, against which the Company is in process of filing an appeal before Commissioner of Income Tax (Appeals) ("CIT(A)").

ii. An amount of ₹ **818 Million** (previous year: ₹ 568 Million) on account of adjustment of expenditure in foreign currency being excluded only from Export turnover and not from Total turnover. The Company has already won the appeal before the CIT (A) for Assessment Year 2004-05, 2005-06, 2007-08 & 2008-09. Income Tax Department is in appeal before the ITAT for Assessment year 2004-05, 2005-06, 2007-08 & 2008-2009 against the CIT(A)'s order. Company is in appeal against the Dispute Resolution Panel for Assessment Year 2006-07 and Assessment year 2008-09 before ITAT and appeal before the CIT(A) for the Assessment Year 2009-2010. For the Assessment year 2010-11, the Company has received draft assessment order, against which the Company is in process of filing an appeal before CIT(A).

iii. An amount of ₹ **2,751 Million** (previous year: ₹ 2,751 Million) relating to denial of deduction under section 10A of the Income Tax Act, 1961 on the transfer pricing adjustment. The Company has won the appeal before CIT(A) for Assessment Year 2007-08. The Income Tax department may intend to appeal before ITAT against the CIT(A)'s order.

iv. An amount of ₹ **16 Million** (previous year: ₹ 16 Million) relating to Fringe Benefit Tax. The Company has won the appeal before ITAT. The Income Tax department may intend to appeal before High Court against the ITAT order.

30.5.2 Income tax matters related to erstwhile Satyam

i. Financial years 2002-03 to 2005-06

Consequent to the letter of the erstwhile Chairman of the erstwhile Satyam, the Assessing Officer rectified the assessments earlier completed for the financial years 2002-03 to 2005-06, by passing rectification orders under Section 154 of the Income-tax Act, 1961 by withdrawing foreign tax credits and raising net tax demands aggregating ₹ 2,358 Million (including interest) against which refunds of financial years 2007-08 and 2009-10 aggregating ₹ 17 Million have been adjusted. During the financial year ended March 31, 2010, erstwhile Satyam had filed an appeal with the Commissioner of Income Tax (Appeals) (CIT (A)). In August, 2010 the CIT (A) dismissed the appeals. Subsequently, erstwhile Satyam had filed appeals before the Income Tax Appellate Tribunal (ITAT) for the aforesaid years which are pending disposal as on date. During the financial year 2010-11, the assessments (in the normal course of assessment) for the financial years 2004-05 and 2005-06 were further modified by issuing consequential orders re-computing the tax exemptions claimed by the erstwhile Satyam and enhancing the tax demands. The total contingent liability resulting for these years including consequential orders is ₹ 567 Million. Against the consequential orders, erstwhile Satyam has filed appeals before CIT (A) against the said enhancement of tax for the aforesaid years which are pending disposal as on date.

ii. Financial years 2007-08

Erstwhile Satyam has received a demand notice from Additional Commissioner of Income Tax by disallowing the foreign tax credits claimed in the return resulting in a contingent liability of ₹ 2,765 Million (including interest). The revised return filed by erstwhile Satyam was rejected by the Income Tax Department. Erstwhile Satyam has filed an appeal against the said order which is pending before the ITAT.

Erstwhile Satyam's contention with respect to the above tax demands is that the Income Tax Department should take a holistic view of the assessments and exclude the fictitious sales and fictitious interest income. If the said contention of erstwhile Satyam is accepted, there would be no tax demand payable.

iii. Petition before Honorable High Court of Andhra Pradesh: Financial years 2002-03 to 2007-08

Erstwhile Satyam had filed various petitions before Central Board of Direct Taxes (CBDT) requesting for stay of demands for the financial years 2002-03 to 2007-08 till the correct quantification of income and taxes payable is done for the respective years. In March 2011, the CBDT rejected erstwhile Satyam's petition and erstwhile Satyam filed a Special Leave Petition before the Honorable Supreme Court which directed erstwhile Satyam to file a comprehensive petition/representation before CBDT giving all requisite details/particulars in support of its case for re-quantification/re-assessment of income for the aforesaid years and to submit a Bank Guarantee (BG) for ₹ 6,170 Million. Pursuant to the direction by the Honorable Supreme Court, erstwhile Satyam submitted the aforesaid BG favouring the Additional Commissioner of Income tax and also filed a comprehensive petition before the CBDT in April 2011.

The CBDT, vide its order dated July 11, 2011, disposed off the erstwhile Satyam's petition directing it to make its submissions before the Assessing Officer in course of the ongoing proceedings for the aforesaid years and directed the Income Tax Department not to encash the BG furnished by erstwhile Satyam till December 31, 2011. Aggrieved by CBDT's order, erstwhile Satyam filed a writ petition before the Honorable High Court of Andhra Pradesh on August 16, 2011.

The Honorable High Court of Andhra Pradesh, vide its order dated January 31, 2012, directed the parties to maintain status quo and directed the Income Tax Department not to en-cash the BG until further orders. The BG has been extended upto October 19, 2014.

In the meanwhile, the Assessing Officer served an order dated January 30, 2012, for provisional attachment of properties under Section 281B of the Income Tax Act, 1961 attaching certain immovable assets of erstwhile Satyam on the grounds that there is every likelihood of a large demand to be raised against erstwhile Satyam for the financial years 2002-03 to 2008-09 along with interest liability. Aggrieved by such order, erstwhile Satyam filed a writ petition in the Honorable High Court of Andhra Pradesh that has granted a stay on the operation of the provisional attachment order until disposal of this writ.

iv. Appointment of Special Auditor and re-assessment proceedings

a. Financial years 2001-02 and 2006-07

The Assessing Officer had commissioned a special audit which has been challenged by the erstwhile Satyam on its validity and terms vide writ petitions filed before the Honorable High Court of Andhra Pradesh. The said petitions are pending disposal.

In August, 2011, the Additional Commissioner of Income Tax issued the Draft of Proposed Assessment Orders accompanied with the Draft Notices of demand resulting in a contingent liability of ₹ 7,948 Million and ₹ 10,329 Million for the financial years 2001-02 and 2006-07, respectively, proposing variations to the total income, including variations on account of Transfer Pricing adjustments. Erstwhile Satyam has filed its objections to the Draft of Proposed Assessment Orders for the aforesaid years on September 16, 2011 with the Honorable Dispute Resolution Panel, Hyderabad, which is pending disposal.

b. Financial years 2002-03 and 2007-08

In December 2011, the Additional Commissioner of Income Tax appointed a Special Auditor under section 142(2A) of the Income Tax Act, 1961 to audit the accounts of erstwhile Satyam for the financial years 2002-03 and 2007-08. Erstwhile Satyam had filed a writ petition before Honorable High Court of Andhra Pradesh challenging the special audit.

The proceedings set out above are also subject to the Hon'ble High Court of Andhra Pradesh order dated January 31, 2012, referred to in note 30.5.2.iii directing the parties to maintain status quo.

c. Financial year 2008-09

In January 2013, the Additional Commissioner of Income Tax appointed a Special Auditor under Section 142(2A) of the Income Tax Act, 1961 to audit the accounts of erstwhile Satyam for the financial year 2008-09. Erstwhile Satyam has challenged the appointment and terms of reference of the special audit by filing a writ petition before the Honorable High Court of Andhra Pradesh and the Court vide its interim order dated April 22, 2013, has directed parties to maintain status quo. The writ petition is pending hearing.

d. Financial year 2009-10

In March 2014, the Deputy Commissioner of Income Tax appointed a Special Auditor under Section 142(2A) of the Income Tax Act, 1961 to audit the accounts of erstwhile Satyam for the financial year 2009-10 and audit is under progress.

v. **Provision for taxation**

Erstwhile Satyam was carrying a total amount of ₹ 4,989 Million (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 ₹ 2,266 Million determined based on such evaluation in respect of the prior years has been written back during the current year. 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.

30.6 Service Tax

The Company has received demand notices from Service Tax Authorities amounting to ₹ **883 Million** (net of provision), (previous year: ₹ 314 Million (net of provision)) out of which:

i. ₹ **389 Million** relates to disallowance of input tax credits paid on services for the period March 2005 to March 2011 for erstwhile Satyam Computers Limited. An amount of ₹ **55 Million** has been paid "under protest". The Company has filed an appeal before the Honorable Customs, Excise & Service Tax Appellate Tribunal (CESTAT) and is pending hearing.

ii. The Company pertaining to erstwhile CanvasM received demand in March 2014 from Service tax department amounting to ₹ **180 Million** (previous year: ₹ Nil) under reverse charge on onsite services rendered by overseas subsidiaries for the financial year 2010-11. The Company is in process of filing an appeal before the Honorable Customs, Excise & Service Tax Appellate Tribunal (CESTAT).

iii. ₹ **77 Million** (previous year: ₹ 77 Million) relates to marketing and onsite services rendered by overseas subsidiaries for the financial years 2004-05 to 2007-08 for erstwhile Tech Mahindra (R & D Services) Limited (TMRDL). An amount of ₹ 7 Million (previous year: ₹ **7 Million**) has been paid "under protest".

iv. ₹ **13 Million** (previous year: ₹ 13 Million) pertains towards services provided under Management Consultancy services for the Company for which the Company has filed an appeal against the same.

v. The Company has received an order from Customs, Excise & Service Tax Appellate Tribunal (CESTAT) in March 2013, wherein the refunds claimed by the Company for the period upto February 2010 amounting to ₹ **224 Million** (previous year: ₹ 224 Million) has been disallowed. The Company has filed an appeal before the Honorable High Court.

30.7 Value Added Tax / Central Sales Tax

i. The company has received a demand notice under Maharashtra Value Added Tax Act, 2002 (MVAT) for Financial Year 2008-09 relating to mismatch of input vat credit availed in VAT return amounting to ₹ 5 Million (including Penalty and interest where applicable) (previous year: ₹ Nil).

ii. Erstwhile C & S had received a demand notice aggregating to ₹ 12 Million (including penalty and interest) under Gujarat Value Added Tax Act, 2003 for Financial Year 2006-07 to Financial Year 2008-09 relating to charging the type of VAT i.e. Sales Transaction / Local Value Added Tax against which the company has paid an amount of ₹ 7 Million under protest.

iii. The company has received demand notice under Delhi Value Added Tax Act, 2004 relating to levy of Central Sales Tax on handset taken for testing purpose (which are returned back after testing), aggregating to ₹ 1 Million (previous year: Nil) against which the Company has paid ₹ 1 Million under protest.

iv. Erstwhile Satyam had received demand orders/claims relating to issues of applicability and classification aggregating ₹ 423 Million (including penalty and interest, where applicable) against which the

Company has paid an amount of ₹ 250 Million (including penalty and interest, where applicable) under protest.

The above excludes show cause notices relating to sales tax amounting to ₹ 8,378 Million (including penalty).

30.8 Foreign Exchange Management Act (FEMA), 1999

The Directorate of Enforcement has issued a show-cause notice to erstwhile Satyam for contravention of the provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Realisation, Repatriation and Surrender of Foreign Exchange) Regulations, 2000, in respect of the realisation and repatriation of export proceeds to the extent of foreign exchange equivalent to ₹ 506 Million for invoices raised during the period July 1997 to December 31, 2002. The erstwhile Satyam has responded to the show-cause notice and the matter is pending.

30.9 Other Claims on the Company not acknowledged as debt

i. Alleged Advances: refer note 27.3.

ii. Claims against erstwhile Satyam not acknowledged as dues: ₹ 1,000 Million and interest.

iii. Claims made on the erstwhile Satyam by vendors, its employees and customers: ₹ 68 Million.

iv. Dispute in relation to a subsidiary, refer note 33.

v. Claims made on the Company not acknowledged as debts: ₹ 107 Million.

vi. Other claims: ₹ 6 Million against which the erstwhile Satyam has paid an amount of ₹ 3 Million under protest.

30.10 Management's assessment of contingencies / claims

The amounts disclosed under contingencies / claims represent the best possible estimates arrived at on the basis of the available information. Due to high degree of judgement required in determining the amount of potential loss related to the various claims and litigations mentioned above and the inherent uncertainty in predicting future settlements and judicial decisions, the Company cannot estimate a range of possible losses.

However, the Company is carrying a provision for contingencies as at March 31, 2014, which, in the opinion of the Management, is adequate to cover any probable losses in respect of the above litigations and claims. Refer note 63.

31. Other regulatory non-compliances / breaches (of the erstwhile Satyam under erstwhile Management [prior to Government nominated Board])

The management of erstwhile Satyam had identified certain non-compliances / breaches of various laws and regulations by erstwhile Satyam under the erstwhile management (prior to Government nominated Board) 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 Act, unauthorised borrowings, excess contributions to Satyam Foundation, loan to ASOP Trust (Satyam Associates Trust) without prior Board approval under the Act, 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. In respect of some of these matters, erstwhile Satyam (under the Management post Government nominated Board) has applied to the Honorable Company Law Board for condonation and is proposing to make an application to the other appropriate authorities, where applicable, for condoning the remaining non-compliances and breaches relatable to erstwhile Satyam. Any adjustments, if required, in the financial statements of the Company, would be made as and when the outcomes of the above matters are concluded.

In respect of foreign currency receivables for the period's upto March 31, 2009, the required permission under the provisions of FEMA for extension of time had not been obtained from the appropriate authorities. Erstwhile Satyam under the management post Government nominated Board has fully provided for these receivables.

32. Land

(a) In respect of certain land admeasuring 19.72 acres purchased by erstwhile Satyam in Hyderabad, erstwhile Satyam entered into an agreement with the Government of Andhra Pradesh (GoAP) pursuant to which, it is eligible for incentives, concessions, privileges and amenities under the Information and Communications Technology (ICT) Policy of the GoAP. During the financial year ended March 31, 2009, erstwhile Satyam accounted for an eligible grant amounting to ₹ 96 Million towards the basic cost of the land on acquisition which was adjusted to the cost of the land. Erstwhile Satyam's entitlement to the aforesaid grant is subject to the fulfillment of certain conditions (secured by bank guarantees issued in favor of Andhra Pradesh Industrial Infrastructure Corporation), including employment of a minimum of eligible employees in facilities constructed over the said land, that have been substantially met and are under validation by the GoAP. The company has earlier provided bank guarantee of ₹ 23 Million which is expired and no new bank guarantee has been submitted by the Company. Further, the Company has filed an application dated March 26, 2014 to A.P. Industrial Infrastructure Corporation Limited requesting execution of sale deed on which Company is expecting favorable reply.

(b) In respect of land admeasuring 50 acres purchased from Andhra Pradesh Industrial Infrastructure Corporation Limited in Vishakhapatnam for a total cost of ₹ 50 Million there are certain disputes which have arisen and the Government of Andhra Pradesh has ordered the District Collector to allot alternate land to erstwhile Satyam. In view of the Management, the said land will be allotted in favour of the Company and, pending alternate allotment, the amount of ₹ 50 Million is included in Capital Advances (under Long-term loans and advances) as at March 31, 2014.

(c) The erstwhile Satyam has entered into an agreement with the Maharashtra Airport Development Company Ltd (MADC) for the land taken on lease in Nagpur for which it shall erect buildings and commence commercial activities by January 7, 2015.

33. Dispute with Venture Global Engineering LLC

Pursuant to a Joint Venture Agreement in 1999, the erstwhile Satyam and Venture Global Engineering LLC (VGE) incorporated Satyam Venture Engineering Services Private Limited (SVES) in India with an objective to provide engineering services to the automotive industry.

On or around March 20, 2003, numerous corporate affiliates of VGE filed for bankruptcy and consequently the erstwhile Satyam, exercised its option under the Shareholders Agreement (hereinafter referred to as "the SHA"), to purchase VGE's shares in SVES. The erstwhile Satyam's action, disputed by VGE, was upheld in arbitration by the London Court of International Arbitration vide its award in April 2006 ("the Award").

The Courts in Michigan, USA, confirmed and directed enforcement of the Award. They also rejected VGE's challenge to the Award. In 2008, the District Court of Michigan further held VGE in contempt for its failure to honour the Award and inter-alia directed VGE to dismiss the nominees of VGE on its Board and replace them with individuals nominated by the erstwhile Satyam. This Order was also confirmed by the Sixth Circuit Court of Appeals in 2009. Consequently, VGE the erstwhile Satyam's nominees were appointed on the Board of SVES and SVES confirmed the appointment at its Board meeting held on June 26, 2008. The erstwhile Satyam was legally advised that SVES became its subsidiary only with effect from that date.

In the meantime, while proceedings were pending in the USA, VGE filed a suit in April 2006, before the District Court of Secunderabad in India for setting aside the Award. The City Civil Court, vide its judgment in January 2012, has set aside the Award, against which the erstwhile Satyam preferred an appeal ("Company Appeal") before the High Court.

VGE also filed a suit before the City Civil Court, Secunderabad inter alia seeking a direction to the Company to pay sales commission that it was entitled to under the Shareholders Agreement. In the said suit, two ex-parte orders were issued directing the Company and Satyam to maintain status quo with regard to transfer of 50% shares of VGE and with regard to taking major decisions which are prejudicial to interest of VGE

The Company has challenged the ex-parte orders of the City Civil Court Secunderabad, before the High Court ("SVES Appeal").

The High Court of Andhra Pradesh consolidated all the Company appeals and by a common order dated August 23, 2013 set aside the Order of the City Civil Court, Hyderabad setting aside the award and also the ex-parte orders of the City Civil Court, Secunderabad. The High Court as an interim measure ordered status quo with regard to transfer of shares, originally given by Supreme Court to be maintained for four weeks which was extended for a further period of three weeks. VGE has filed special leave petition against the said Order before Supreme Court of India, which is currently pending. The Supreme Court by an interim Order dated October 21, 2013 extended the High Court order on the status-quo on transfer of shares. The Company has also filed a Special Leave Petition before the Supreme Court of India challenging the judgement of the High Court only on the limited issue as to whether the Civil Court has jurisdiction to entertain VGE's challenge to the Award. The said Petition is pending before the Supreme Court.

In a related development, in December 2010, VGE and the sole shareholder of VGE (the "Trust", and together with VGE, the "Plaintiffs"), filed a complaint against the erstwhile Satyam in the United States District Court for the Eastern District of Michigan ("District Court") inter alia asserting claims under the Racketeer Influenced and Corrupt Organization Act, 1962 (RICO), fraudulent concealment and seeking monetary and exemplary damages ("the Complaint"). The District Court vide its order in March 2012 has dismissed the Plaintiffs Complaint. The District Court also rejected VGE's petition to amend the complaint. In June 2013, VGE's appeal against the order of the District Court has been allowed by the US Court of Appeals for the Sixth Circuit. The matter is currently before the District Court and the Company has filed a petition before District Court seeking dismissal of the Plaintiff's Complaint. The said petition is pending before the District Court.

34. Other matters

Foreign currency receivables

In respect of overdue foreign receivables of erstwhile Satyam, the Company is taking steps under the provisions of FEMA, for recovery and/or permissions for write-offs, as appropriate.

35. Share application money pending allotment

The amount received from employees on exercise of stock options is accounted as Share application money pending allotment. Upon allotment, the amount received corresponding to the shares allotted against the options exercised is transferred to Share capital and Securities premium account (if applicable) and taxes (if applicable) recovered from employees. An amount of ₹ **15 Million** is outstanding as at March 31, 2014 (previous year: ₹ 3 Million) representing amounts received from employees of the Company on exercise of stock options towards face value, securities premium and perquisite tax recovered by the Company from the employees, pending allotment.

36. The Company has investment (unquoted) in its 100 % subsidiary, Tech Mahindra GmbH (TMGMBH) aggregating to ₹ 389 Million (previous year: ₹ 389 Million) which is held as strategic long-term investment. The Company had made provision in the year ended March 31, 2005, to the extent of accumulated losses in TMGMBH aggregating to ₹ 354 Million (previous year: ₹ 354 Million) towards diminution in the value of its investment. TMGMBH has started earning profits from financial year 2006-07 onwards; however TMGMBH still has accumulated losses as of March 31, 2014 and in view of this, no change in provision of such investment is required.

37. In September 2008, the Company had made an investment of ₹ 85 Million which was equal to 17.28% of the equity share capital of Servista Limited, a leading European system integrator. With this investment, the Company became Servista' s exclusive delivery arm for three years and would assist Servista in securing more large scale European IT off shoring business. Subsequently, the business plan of Servista was adversely affected by the economic downturn and it continued to incur losses and therefore, Servista in June 2009 decided to close down its operations. Hence, the Company made a provision of ₹ 85 Million in the year ended March 31, 2010 as diminution in the value of its investments in Servista. As of March 31, 2014, Servista is in process of winding up and in the view of the management; the Company would have no further unrecorded obligations towards settlement of any further liability.

38. Erstwhile Satyam had made an investment in Dion Global Solutions Limited amounting to ₹ 350 Million. The Company has made provision during the year ended March 31, 2014 amounting to ₹ 243 Million towards diminution in the value of the said investment as the decline in the value of investment is other than temporary.

39. The company's management assesses the operations of the subsidiaries, including the future projections, to identify indications of diminution, other than temporary, in the value of the investments recorded in the books of account and, accordingly no additional provision is required to be made, other than the amounts provided for in the books of account.

40. Erstwhile Satyam in earlier years, had made a provision for diminution in the value of investments of ₹ 64 Million for its investment in C&S System Technologies Private Limited (C&S). On amalgamation of C&S and other entities with the company, the provision being no longer required, has been added to surplus in statement of profit and loss on merger (refer note 25).

41. On September 4, 2012, the Company acquired 100% stake in equity of Tech Mahindra Business Services Limited (TMBSL) (formerly known as Hutchison Global Services Limited), a provider of customer lifecycle operations to clients in UK, Ireland and Australia for USD 87.10 Million (₹ 4,851 Million), paid up-front and from the said date, TMBSL became a wholly owned subsidiary of the Company. The Company had incurred expenditure of ₹ 22 Million on acquisition of the said equity shares in TMBSL and the same has been added to the cost of investment.

Further in September 2012, the Company has infused an additional amount of ₹ 0.40 Million in the equity of TMBSL.

During the year ended March 31, 2014, TMBSL issued bonus shares in the ratio of 1:19, against which the company was allotted 950,000 fully paid up equity shares of ₹ 10 each.

42. On December 13, 2012, the Company acquired 47.02% stake in Comviva (a global leader in providing mobile Value Added Services) by making an upfront payment of ₹ 1,249 Million (out of total consideration not exceeding 2,600 Million) for purchase of 6,676 826 Equity Shares of ₹ 10 each (47.02 % of the then equity share capital) and 5,492,832 Series A - 0.001% Fully Convertible and Non-Cumulative Preference Shares ("Preference Shares") of ₹ 10 each. On the same day, 4 nominees of the Company were appointed as Directors on the Board of Comviva and thus Comviva became a subsidiary of the Company w.e.f December 13, 2012 by virtue of management control. Effective March 5, 2013, 5,492,832 Preference Shares which were held by the Company, were converted in equivalent number of Equity Shares.

- On March 13, 2013, as per the Share Purchase Agreement, the Company announced an open offer to certain category of equity shareholders of Comviva who were holding 2,534,575 fully paid-up equity shares, at a maximum aggregate price of ₹ 238.90 per share. As per the open offer, Company shall make a payment of ₹ 102.67 per share as upfront payment, ₹ 35.62 per share payable in FY 2013-14 and ₹ 14.67 per share payable in April 2014. The balance amount of ₹ 85.94 per share shall be paid during the period April 2014 to October 2017, based on Comviva achieving mutually agreed performance target. Against this open offer 13 shareholders holding 1,885,548 shares accepted and transferred its equity shares in the name of the Company as of March 31, 2014. On May 29, 2013 the Company announced an alternate open offer to the earlier offer (announced on March 13, 2013). In the alternate offer the maximum aggregate price is ₹ 230.26 per share out of which ₹ 102.67 per share is upfront payment, ₹ 14.67 per share payable in April 2014 as committed payment and balance payment will be payable till April 2014 based on Comviva achieving mutually agreed performance target. Against this alternate offer, 28 shareholders holding 619,882 shares accepted and transferred its equity shares in the name of Company.

- Further, the Company had accounted for a liability of ₹ 179 Million for the "Guaranteed Amount" payable in April 2014 and a liability for Earn out payment of ₹ 434 Million, on achievement of performance target for 2012-13, payable in FY 2013-14. During the year ended March 31, 2014, the Company made the payment of ₹ 414 Million against the Earnout accrual and reversed the excess accrual of ₹ 20 Million.

- As per the share purchase agreement, the Company has accrued liability amounting to ₹ 551.85 Million for Earnout – 2 on achievement of mutually agreed performance target and added to the cost in investment.

  As at March 31, 2014, the Company holds 67.12 % of the equity share capital of Comviva.

43. During the year ended March 31, 2014, the Company has invested an additional amount of ₹ 489 Million in the equity of its 100 % subsidiary Company Tech Mahindra Servicos De Informatica LTDA.

44. During the year ended March 31, 2014, the Company has invested an additional amount of ₹ 41 Million in the equity of its 100 % subsidiary Company Satyam Computer Services (Nanjing) Co. Limited.

45. On April 2, 2013, the Company had taken over certain LAB equipments and 7 associates from one of its customers in Sweden vide its agreement dated March 21, 2013 for a purchase consideration of USD 6 Million (₹ 326 Million). As per the terms of agreement, the purchase consideration shall be discharged by the Company by providing services for next three years. As at March 31, 2014 the Company, against the said purchase consideration, has provided services amounting to USD 2.90 Million (₹ **157 Million**).

46. During the year ended March 31, 2014, the Company has invested an additional amount of ₹ **2 Million** in the equity of its 100 % subsidiary Company Tech Mahindra (Thailand) Limited.

47. During the year ended March 31, 2013, the Company has invested an additional amount of ₹ **1 Million** in the equity of its 100 % subsidiary Company Tech Mahindra (Beijing) IT Services Limited.

48. Knowledge Dynamics Pte. Ltd (KDPL), a 100 % subsidiary of erstwhile Satyam, had applied for voluntary liquidation during the previous years, as per regulations applicable in the respective country (Singapore). Knowledge Dynamics Pte. Ltd has been liquidated/dissolved as per the laws of Singapore in the year ending March 31, 2013 and the carrying amount has been repatriated. The outstanding receivables (net of payables) amounts from KDPL and the company's investment in KDPL have been fully provided for in the company's books of account. During the quarter ended September 30, 2013, the approval from RBI has been received and accordingly the amount of investments and payables has been adjusted against each other. Post these adjustments, there are no amounts outstanding pertaining to Knowledge Dynamics Pte. Ltd as on March 31, 2014.

49. Nitor Global Solutions Limited ("Nitor"), a 100 % subsidiary of erstwhile Satyam, had applied for voluntary liquidation during the year ended March 31, 2012 as per regulations applicable in the respective country. The outstanding receivables (net of payables) amounts from Nitor and the company's investment in Nitor have been fully provided for in the company's books of account. The Company, during the year ended March 31, 2014, received GBP 0.01 Million (₹ 5 Million) from the said liquidator towards part distributions to the equity shareholders. Accordingly, the company's investment in Nitor has been adjusted and provision has been revised to that extent. Further, the Company has been dissolved and name has been struck-off from registrar of companies w.e.f. January 20, 2014. The Company has filed an application with RBI and the company is awaiting approval from RBI for writing off the investments from the books of account.

50. On August 31, 2012, British Telecommunications Plc. (promoter of the Company) sold 17,935,484 equity shares in the open market and their holding in the Company came down to 9.10%. As a consequence, the Joint Venture agreement between Mahindra & Mahindra Limited and British Telecommunications Plc. ("promoters of the Company") stands terminated. As a result, British Telecommunications Plc. is no longer a related party of the Company effective August 31, 2012.

Further, on December 12, 2012, British Telecommunications Plc. sold the balance 11,611,439 equity shares in the open market.

51. During the year ended March 31, 2010, a customer of the Company restructured its long term contracts with the Company effective April 01, 2009 which involves changes in commercial terms, including rate reduction, and other agreed contract terms. As per the amended contracts, the customer had paid the Company restructuring fees amounting to ₹ 9,682 Million. The services under the restructured contracts would continue to be rendered over the life of the contract. The restructuring fees received have been amortized and recognized as revenue over the term of the contract on a straight line basis.

An amount of ₹ **1,663 Million** (previous year: ₹ 2,005 Million) has been recognized as revenue for the year ended March 31, 2014. In addition, it also includes contract termination fees received from a customer which is amortised and accounted as revenue, to the extent there is a continuing customer involvement.

52. Details of employee benefits as required by the Accounting Standard 15 (Revised) – Employee Benefits are as under:

a) **Defined Contribution Plan**

Amount recognized as an expense in the Statement of Profit and Loss for the year ended March 31, 2014 in respect of defined contribution plan is ₹ **1,941 Million** (previous year: ₹ 822 Million).

b) **Defined Benefit Plan**

The defined benefit plan comprises of gratuity. The gratuity plan is not funded. Changes in the present value of defined obligation are representing reconciliation of opening and closing balances thereof and fair value of Trust Fund Receivable (erstwhile TMRDL) showing amount recognized in the Balance Sheet is as under:

₹ in Million

Particulars	**As at March 31, 2014**	As at March 31, 2013
Projected benefit obligation, beginning of year	**1,177**	1,071
Add: Additions on account of amalgamation (refer note 25)	**1,163**	-
Service cost	**435**	233
Interest cost	**178**	88
Actuarial (Gain) / Loss	**(551)**	(110)
Benefits paid	**(225)**	(105)
Trust Fund Receivable (erstwhile TMRDL)*	**(40)**	(38)
Projected benefit obligation, at the end of the year	**2,137**	1,139

* The Trust fund was created to fund the gratuity liability of the erstwhile TMRDL. After amalgamation of TMRDL with the Company, the balance in Trust Fund can be utilized only for the payment of obligation arising for gratuity payable to employees of erstwhile TMRDL.

The composition of the Trust Balance as on March 31, 2014 is as follows:

₹ in Million

Particulars	**As at March 31, 2014**	As at March 31, 2013
Government of India Securities / Gilt Mutual Funds	**6**	9
State Government Securities / Gilt Mutual Funds	**9**	4
Public Sector Unit Bonds	**9**	13
Bank Balance	**16**	12
Total	**40**	38

Components of expense recognized in the Statement of Profit and Loss is as follows:

₹ in Million

Particulars	**For the year ended March 31, 2014**	For the year ended March 31, 2013
Service cost	**435**	233
Interest cost	**178**	88
Expected Return on Plan Assets	**(2)**	(3)
Actuarial (Gain)/Loss	**(551)**	(110)
Total	**60**	208

Experience Adjustments

₹ in Million

Particulars	**As at March 31, 2014**	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
1. Defined Benefit Obligation	**(2,177)**	(1,177)	(1,071)	(908)	(796)
2. Fair value of plan assets	**40**	38	35	33	31
3. Surplus/(Deficit)	**(2,137)**	(1,139)	(1,036)	(875)	(765)
4. Experience adjustment on plan liabilities Gain/(Loss)	**251**	130	30	74	95
5. Experience adjustment on plan assets Gain/(Loss)	**(2)**	(0)	(1)	(1)	2
6. Actuarial Gain / (Loss) due to change on assumptions	**301**	(20)	(25)	(2)	31

Principal Actuarial Assumptions	**As at March 31, 2014**	As at March 31, 2013
Discount Rate	**9.25%**	8.00%
Rate of increase in compensation levels of covered employees	**9.00%**	9.00%

- The discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated terms of the obligations.
- The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

53. Payment to Auditors (net of service tax)

₹ in Million

Particulars	**For the year ended March 31, 2014**	For the year ended March 31,2013
Audit Fees (including quarterly audits)	**30**	7
For taxation matters	**3**	1
For other services	**12**	4
For reimbursement of expenses	**0**	0
Total	**45**	12

54. a) Value of Imports on C.I.F. Basis

₹ in Million

Particulars	**For the year ended March 31, 2014**	For the year ended March 31,2013
Components, spare parts and others	**129**	8
Capital goods	**1,498**	293
Total	**1,627**	301

b) Expenditure in Foreign Currency

₹ in Million

Particulars	**For the year ended March 31, 2014**	For the year ended March 31,2013
Employee Benefits Expense	**33,420**	8,024
Subcontracting Expenses	**32,774**	13,900
Finance Costs	**37**	56
Operating and Other Expenses	**13,047**	2,447
Tax Expense	**2,062**	279
Total	**81,340**	24,706

55. Remittances in foreign currencies for dividends

The Company does not have complete information as to the extent to which remittances in foreign currencies on account of dividends have been made by or on behalf of non-resident shareholders.

The particulars of dividends declared during the year ended March 31, 2013 and paid to non – resident shareholders are as under:

Dividend relating to Financial Year	**Dividend paid in Financial Year**	**Number of Shareholders**	**Number of Equity Shares**	**Amount remitted ₹ in Million**
Final Dividend				
2012-2013	**2013-2014**	**6**	**131,246**	**1**
2011-2012	2012-2013	11	29,689,904	119

56. Earnings in foreign currency

₹ in Million

Particulars	**For the year ended March 31, 2014**	For the year ended March 31,2013
Income from Services	**155,502**	55,497
Rent Received	**40**	2
Interest Received	**18**	7
Others	**-**	3
Total	**155,560**	55,509

57. Leases

a) The Company has taken premises on operating lease for a period of one to ten years. The expense on such lease rentals recognized in the Statement of Profit and Loss for the year ended March 31, 2014 is ₹ **1,293 Million** (previous year: ₹ 898 Million). The future lease payments of such operating lease are as follows:

₹ in Million

Particulars	**Not later than 1 year**	**Later than 1 year not later than 5 years**	**Later than 5 years**
Minimum Lease rentals payable (previous year: ₹ 723 Million, ₹ 1,535 Million and ₹ 277 Million respectively)	**503**	**727**	**157**

b) The Company has taken computers, its related equipments and vehicles on operating lease for a period of one to five years. The expense on such lease rentals recognized in the Statement of Profit and Loss for the year ended March 31, 2014 is ₹ **22 Million** (previous year: ₹ 36 Million). The future lease payments of operating lease are as follows:

₹ in Million

Particulars	**Not later than 1 year**	**Later than 1 year not later than 5 years**	**Later than 5 years**
Minimum Lease rentals payable (previous year: ₹ 11 Million, ₹ 27 Million and ₹ Nil respectively)	**76**	**120**	**-**

c) The Company has given premises on operating lease for a period of one to five years. The rental income recognized in the Statement of Profit and Loss for the year ended March 31, 2014 is ₹ **179 Million** (previous year: ₹ 35 Million). The future lease rent receivable on such premises given on operating lease are as follows:

₹ in Million

Particulars	**Not later than 1 year**	**Later than 1 year not later than 5 years**	**Later than 5 years**
Minimum Lease rentals receivable (previous year: ₹ 35 Million, ₹ 26 Million and ₹ Nil respectively)	**123**	**191**	**42**

d) The Company has taken vehicles, furniture and fixtures and plant and equipments on finance lease for a period of one to five years. The future lease rent payable on such vehicles taken on finance lease are as follows:

₹ in Million

Particulars	**As at March 31, 2014**	As at March 31, 2013
Minimum lease payments		
- Less than one year	**53**	-
- One to five years	**56**	-
- Later than five years	**-**	-
Total	**109**	
Present value of minimum lease payment		-
- Less than one year	**42**	-
- One to five years	**50**	-
- Later than five years	**-**	-
Total	**92**	-

58. The Honorable Supreme Court vide its order dated February 2, 2012 cancelled 2G licenses issued to some of Telecom operators in India in 2008. As a result of the cancellation, the business of Company's two customers has become unviable and one of the customers has started winding up proceedings of the Indian operations. The Company had made provision of ₹ 679 Million in the year ended 31st March 2012 on account of likely impairment in the carrying value of the related assets.

59. The tax effect of significant timing differences that has resulted in deferred tax assets are given below:

₹ in Million

Particulars	**As at March 31, 2013**	**Additions on amalgamation (refer note 25)**	**(Charge) / asset created during the year ended March 31, 2014**	**As at March 31, 2014**
Deferred Tax Assets				
Depreciation	302	862	312	**1476**
Provision for doubtful trade receivables	379	111	427	**917**
Provision for employee benefits	263	707	(273)*	**697**
Others	-	1	18	**19**
Total	**944**	**1,681**	**484**	**3,109**

* Deferred tax assets amounting to ₹ 160 Million created in earlier period on employee benefits has been transferred to its 100% subsidiary Tech Mahindra (Americas) Inc. in respect of employees transferred to Tech Mahindra (Americas) Inc. during the current year.

60. Exchange gain/(loss)(net) accounted during the year/ previous period

a) The Company enters into foreign Exchange Forward Contracts and Currency Option Contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian rupee. The counter party to the Company's foreign currency Forward Contracts and Currency Option Contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of certain forecasted transactions. Forward Exchange Contracts and Currency Option Contracts in UK Pound exposure are split into two legs, which are GBP to USD and USD to INR. These contracts are for a period between 1 day and 5 years.

b) The following are the various outstanding foreign currency exchange forward contracts entered into by the Company which have been designated as Cash Flow Hedges:

Type of cover	**Amount outstanding in Foreign currency (in Million)**	**Fair Value Gain / (Loss) (₹ in Million)**
Forward	**GBP 157**	**(753)**
	(previous year: 246)	(previous year: 869)
	EUR 30	**(4)**
	(previous year : Nil)	(previous year : Nil)

The following are the outstanding foreign currency to INR Currency Exchange Forward Contracts entered into by the Company which have been designated as Cash Flow Hedges:

Type of cover	Amount outstanding in Foreign currency (in Million)	Fair Value Gain / (Loss) (₹ in Million)
Forward	**USD 910** (previous year: 1,058) **EUR 9** (Previous Year Nil) **GBP 10** (Previous Year Nil)	**(5,259)** (previous year: (3,371)) **(66)** (Previous Year Nil) **(103)** (Previous Year Nil)
Option	**USD 79** (previous year: Nil)	**77** (previous year: Nil)

The movement in hedging reserve during the year ended March 31, 2014 for derivatives designated as Cash Flow Hedges is as follows.

₹ in Million

Particulars	**As at March 31, 2014**	As at March 31, 2013
Credit/(Debit) Balance at the beginning of the year	**(2,486)**	(3,535)
Additions on account of amalgamation (refer note 25)	**197**	-
Transfer due to amalgamation (pertaining to April 1, 2011 to March 31, 2013)	**(38)**	-
Gain/(Loss) transferred to income statement on occurrence of forecasted hedge transaction	**(853)**	(464)
Changes in the fair value of effective portion of outstanding cash flow derivative	**(4,115)**	585
(Debit)/Credit Balance as at year end	**(5,589)**	(2,486)

Net loss on derivative instruments of ₹ **2,445 Million** (previous year ₹ (621) Million) recognised in hedging reserve as of March 31, 2014 is expected to be reclassified to the statement of Profit and Loss by March 31, 2015.

Exchange Loss of ₹ **853 Million** (previous year: ₹ (464) Million) on foreign exchange forward contracts and currency options contracts have been recognised for the year ended March 31, 2014.

c) As at March 31, 2014, the Company has net foreign exchange exposures that are not hedged by a derivative instruments or otherwise amounting to ₹ **33,666 Million** (previous year: ₹ 7,867 Million)

61. Current tax for the year ended March 31, 2014 includes tax expense (net of refund / write back) for foreign branches amounting to ₹ **1,999 Million** (previous year: ₹ 268 Million).

The Company has made provision towards current tax in respect of its domestic operations for the year ended March 31, 2014. Further, the Management has assessed the Company's tax position in respect of its overseas operations taking into account the relevant rules and regulations as applicable in the respective countries. Based on professional advice, it has determined that the provision made currently is adequate.

Current tax expense for the year ended March 31, 2014 is net of excess provision of ₹ **240 Million** (previous year: ₹ 259 Million) of earlier years written back, no longer required; also refer note 30.5.2.v.

The Company had calculated its tax liability under Minimum Alternate Tax (MAT) from financial year 2007-08. The MAT credit can be carried forward and set off against the future tax payable. For the year ended March 31, 2014, the Company has calculated its tax liability under normal provisions of the Income Tax Act, 1961 and utilized the brought forward MAT credit of ₹ **5 Million** (previous year: ₹ 233 Million).

Current tax for year ended March 31, 2014 includes provision of ₹ **223 Million** towards capital gain on deemed transfer of business in overseas branches on account of merger (previous year ₹ Nil).

62. The Company makes provision for Claims and Warranties on a need based basis. The Company also provides warranty support to some of its customers as per the terms of the contracts. The details of provision for claims and warranties are as follows:

₹ in Million

Particulars	**As at March 31, 2014**	As at March 31, 2013
Opening balance	**107**	100
Add: Additions on account of amalgamation (refer note 25)	**70**	-
Provision made during the year	**407**	8
Payments	**(80)**	-
Reversal/utilisation made during the year	**(305)**	(1)
Closing balance	**199**	107

Note:

Provision for warranties is estimated and made based on technical estimates of the Management and is expected to be settled over the period of next one year.

63. Provision for contingencies

The Company carries a general provision for contingencies towards various claims made/anticipated against the Company based on the Management's assessment. The management estimates the same to be settled in 3-5 years. The movement in the said provisions is summarized below:

₹ in Million

Particulars	**As at March 31, 2014**	As at March 31, 2013
Opening Balance	**-**	-
Add: Additions on account of amalgamation (refer note 25)	**1,911**	-
Provision made during the year	**-**	-
Reversal/utilisation made during the year (refer note 71)	**(1,200)**	-
Closing balance	**711**	

64. As required under Accounting Standard 18 "Related Party Disclosures" (AS – 18), following are details of transactions during the year and outstanding balances with the related parties of the Company as defined in AS – 18:

a) List of Related Parties and Relationships:

Name of Related Party	**Relationship**
Mahindra & Mahindra Limited	Promoter/Enterprise having significant Influence
British Telecommunications Plc.	Promoter Company (refer note 50)
Mahindra-BT Investment Company (Mauritius) Limited	Promoter/Enterprise having significant Influence
CanvasM Technologies Limited	refer note (i) below
Venturbay Consultants Private Limited	refer note (i) below
Mahindra Logisoft Business Solutions Limited	refer note (i) below
Satyam Computer Services Limited	refer note (ii) below
C&S System Technologies Private Limited	refer note (ii) below
Tech Mahindra (Americas) Inc. and its following 100 % subsidiaries	100% subsidiary Company
Tech Talenta Inc.	100% subsidiary Company
Tech Mahindra IPR Inc.	100% subsidiary Company (refer note (iii) below)

Name of Related Party	Relationship
CanvasM (Americas) Inc.	refer note (iv) below
Tech Mahindra GmbH	100% Subsidiary Company
Tech Mahindra (Singapore) Pte. Limited	100% Subsidiary Company
Tech Mahindra (Thailand) Limited	100% Subsidiary Company
PT Tech Mahindra Indonesia	100% Subsidiary Company
Tech Mahindra (Malaysia) Sdn. Bhd	100% Subsidiary Company
Tech Mahindra (Beijing) IT Services Limited	100% Subsidiary Company
Tech Mahindra (Nigeria) Limited	100% Subsidiary Company
Tech Mahindra (Bahrain) Limited S.P.C.	100% Subsidiary Company
Tech Mahindra Business Services Limited (formerly known as Hutchison Global Services Limited)	100% Subsidiary Company (refer note (v) below)
Comviva Technologies Limited and its following 100 % subsidiaries (Refer note 42)	67.12 % Subsidiary Company (refer note (vi) below)
Comviva Technologies Inc.	67.12 % Subsidiary Company
Comviva Technologies Nigeria Limited	67.12 % Subsidiary Company
Comviva Technologies Singapore PTE. Ltd	67.12 % Subsidiary Company
Comviva Technologies FZ-LLC	67.12 % Subsidiary Company
Tech Mahindra South Africa (Pty) Limited	51% Subsidiary Company (refer note (vii) below)
Tech Mahindra BPO Limited (formerly Satyam BPO Limited)	100% Subsidiary Company
Satyam Computer Services (Shanghai) Co. Limited	100% Subsidiary Company
Satyam Computer Services (Nanjing) Co. Limited	100% Subsidiary Company
Tech Mahindra Technologies Inc. (formerly Satyam Technologies Inc.)	100% Subsidiary Company
Knowledge Dynamics Pte. Ltd	refer note 48
Nitor Global Solutions Limited	refer Note 49
Satyam Computer Services (Egypt) S.A.E	100 % Subsidiary Company (refer Note (viii) below)
Citisoft Plc. and its following 100 % subsidiary	100% Subsidiary Company
Citisoft Inc.	100% Subsidiary Company
Satyam Computer Services Belgium BVBA	100% Subsidiary Company
Bridge Strategy Group LLC	refer Note (ix) below
Satyam Venture Engineering Services Private Limited and its following 100 % subsidiaries	50% Subsidiary Company (refer Note (x) below)
Satyam Venture Engineering Services (Shanghai) Co. Limited	50% Subsidiary Company (refer Note (xi) below)
Satyam Venture Engineering Services UK Limited	50% Subsidiary Company (refer Note (xi) below)
Satyam Computer Services De. Mexico S.DE.R.L.DE.C.V	100% Subsidiary Company (refer Note (xii) below)
vCustomer Services LLC	100% Subsidiary Company
New vC Services Private Limited and its 100% subsidiary	100% Subsidiary Company
vCustomer Philippines, Inc. and its 100% subsidiary	100% Subsidiary Company
vCustomer Philippines (Cebu), Inc.	100% Subsidiary Company

Name of Related Party	Relationship
Tech Mahindra Servicos De Informatica LTDA (formerly Satyam Servicos De Informatica LTDA) and its following:	100% Subsidiary Company
100 % subsidiaries	
Mahindra Satyam Servicios DE Informatica S.R.L.	100% Subsidiary Company (refer Note (xiii) below)
Satyam Colombia Servicios DE Informatica SAS	100% Subsidiary Company (refer Note (xiii) below)
Mahindra Satyam Servicios DE Informatica Sociedad Anonima Cerrada	100% Subsidiary Company (refer Note (xiii) below)
51% Subsidiary	
Complex IT Solutions Consultoria EM Informatica S.A.	51% Subsidiary Company (refer Note (30.2.(ii)))
Satyam (Europe) Limited	Refer Note (xiv) below
Vision Compass Inc.	Refer Note (xiv) below
Global ICT Investment Holdings Pte. Ltd.	50:50 Joint Venture – (refer Note 30.2. (i))
Tech Mahindra ICT Services (Malaysia) SDN. BHD.	100% Subsidiary Company (refer Note (xv) below)
Tech Mahindra Foundation	refer Note (xvi) below
Mahindra Satyam Foundation Trust (formerly Satyam Foundation Trust)	Enterprise where the Company is in a position to exercise control (refer Note (xvii) below)
Satyam Associates Trust	Enterprise where the Company is in a position to exercise control (refer Note (xvii) below)
Mahindra Educational Institutions	Enterprise where the Company is in a position to exercise control (refer Note (xviii) below)
TML Benefit Trust	Trust to hold the treasury stock (refer Note 25 above)
TML Odd Lot Trust	Trust to hold the fractional shares
Vineet Nayyar - Executive Vice Chairman (refer note (xix) below)	Key Management Personnel
C.P. Gurnani - Managing Director (refer note (xx) below)	

i. Merged with the Company (refer Note 25 above)

ii. The company (through Venturbay), was holding 42.63% (was treated as an associate by the Company) in erstwhile Satyam. Satyam along with its 100% subsidiary C&S System Technologies Private Limited has been merged with the Company (refer note 25 above).

iii. During the year ended March 31, 2014, Tech Mahindra Americas Inc. has incorporated a new 100% subsidiary, Tech Mahindra IPR Inc. However, neither any investment has been made by its parent company in the said subsidiary as at March 31, 2014 nor has it commenced its operations.

iv. Merged with Tech Mahindra (Americas) Inc. w.e.f. 1st September 2012.

v. W.e.f. 4th September 2012 and converted to public limited company w.e.f. 27th December 2012 (refer Note 41).

vi. 47% (subsidiary through management control) w.e.f. 13th December 2012, 67.12 %. Also, refer note 42.

vii. Subsidiary w.e.f. 20th March 2013.

viii. The entities had applied for voluntary liquidation during the year ended March 31, 2012 as per local regulations applicable to it. However, pending such liquidation, these subsidiaries have been considered for the purpose of consolidation.

ix. Erstwhile Satyam in April 2008, through a definitive purchase agreement, purchased 100% of the membership interests of Bridge Strategy Group, LLC (‘Bridge’), a Chicago based strategy and general management consulting firm and a Limited Liability Company (limited by Membership Interest) for a total cash consideration of USD 35 Million (₹ 1,439 Million)and subsequently infused USD 12 Million (₹ 558 Million) in the said entity. The said investments of ₹ 1,997 Million were fully provided for in the books of account.

Subsequently in the current year ended March 31, 2014, the company through the agreement dated October 18, 2013, sold the 100% of the membership interests of Bridge for a total consideration of USD 3.50 Million (₹ 217 Million). Accordingly, the amount of investments and provisions against the said investments were knocked off and the balance amount (income) has been accounted under Other Income.

x. As stated in Note 33, the Company has, based on legal advice treated its investments in subsidiary only with effect from June 26, 2008 being the date of appointment of nominee directors of the Company on the Board of Satyam Venture Engineering Services Private Limited ("SVES").

xi. Satyam Venture Engineering Services (Shanghai) Co. Limited was incorporated by SVES on May 15, 2012. On May 28, 2012, SVES incorporated a new subsidiary (step-down subsidiary of the Company) in United Kingdom (Satyam Venture Engineering Services UK Limited). No investment has been made in this step-down subsidiary as at March 31, 2014. Further, Satyam Venture Engineering Services UK Limited w.e.f. January 7, 2014 has been dissolved and name has been struck off from register of Companies in the UK.

xii. The Company during the year ended March 31, 2009, has incorporated a 100% subsidiary in Mexico (Satyam Computer Services De Mexico S.DE.R.L.DE C.V). However, neither any investment has been made by its parent company in the said subsidiary as at March 31, 2014 nor has commenced its operations.

xiii. In the year ending March 31, 2013, Satyam Servicos De Informatica LTDA, incorporated three new 100 % subsidiaries in Argentina (Mahindra Satyam Servicios DE Informatica S.R.L.), Colombia (Satyam Colombia Servicios DE Informatica SAS) and Peru (Mahindra Satyam Servicios DE Informatica Sociedad Anonima Cerrada). No investments were made in these subsidiaries as at March 31, 2014.

xiv. These 100 % subsidiaries have been liquidated / dissolved as per the laws of the respective countries. However, approval from the Reserve Bank of India for writing off the investments from the books of the Company has not yet been received. The outstanding amounts of investments in these companies have been fully provided for.

xv. During the year ended March 31, 2014, the company has incorporated a new subsidiary in Malaysia namely Tech Mahindra ICT Services (Malaysia) SDN. BHD (TechM Malaysia ICT) and infused equity share capital of MYR 0.64 Million (₹ **12 Million**) in the said entity.

xvi. Section 25 Company not considered for consolidation.

xvii. Mahindra Satyam Foundation Trust and Satyam Associates Trust, though controlled by the Company, are not considered for the purpose of consolidation since, in the opinion of the Management; the objective of control over such entities is not to obtain economic benefits from their activities.

xviii. On April 9, 2013, the Company incorporated Mahindra Educational Institutions under Section 25 of the Companies Act to promote education and research in different disciplines and same is not considered for consolidation. The company has invested in Mahindra Educational Institutions an amount of ₹ 0.10 Million in the equity of the said entity.

xix. Appointed as Executive Vice Chairman w.e.f. 10th August 2012 (Vice Chairman and Managing Director till 9th August 2012).

xx. Appointed as Managing Director w.e.f. 10th August 2012.

b) Related party Transactions for the year ended March 31, 2014:

₹ **in Million**

Nature of Transaction	**Related party**	**Year ended March 31, 2014**	Year ended March 31, 2013
Income from Services	Mahindra & Mahindra Limited	**153**	37
	British Telecommunications Plc.	**-**	10,755
	Tech Mahindra (Americas) Inc.	**1,596**	722
	Tech Mahindra GmbH	**111**	143
	Tech Mahindra (Singapore) Pte. Limited	**212**	53
	PT Tech Mahindra Indonesia	**81**	65
	Tech Mahindra (Thailand) Limited	**54**	-
	CanvasM Technologies Limited	**-**	3
	Tech Mahindra (Malaysia) Sdn.Bhd	**417**	301
	Tech Mahindra (Beijing) IT Services Limited	**0**	2
	Tech Mahindra (Bahrain) Limited S.P.C	**272**	410
	Tech Mahindra (Nigeria) Limited	**111**	63
	Comviva Technologies Limited	**8**	-
	Satyam Computer Services Limited	**-**	738
	Tech Mahindra BPO Limited	**94**	-
	Satyam Computer Services(Shanghai) Co. Limited	**87**	-
	Tech Mahindra Servicos De Informatica LTDA	**81**	-
	Satyam Colombia Servicios DE Informatica SAS	**14**	-
	Complex IT Services Consultoria EM Informatica S.A.	**3**	-
Sub-contracting cost	Tech Mahindra (Americas) Inc.	**19,053**	8,670
	Tech Mahindra GmbH	**1,051**	572
	Tech Mahindra (Singapore) Pte. Limited	**228**	141
	Tech Mahindra (Thailand) Limited	**30**	3
	CanvasM Technologies Limited	**-**	1,180
	Tech Mahindra (Malaysia) Sdn.Bhd	**330**	312
	Tech Mahindra (Beijing) IT Services Limited	**16**	15
	Tech Mahindra (Bahrain) Limited S.P.C	**215**	335
	Tech Mahindra (Nigeria) Limited	**3**	-
	Comviva Technologies Limited	**21**	-
	Satyam Computer Services Limited	**-**	547
	Tech Mahindra BPO Limited	**712**	255
	Satyam Computer Services(Shanghai) Co. Limited	**31**	5
	New vC Services Private Limited	**44**	9

₹ in Million

Nature of Transaction	Related party	Year ended March 31, 2014	Year ended March 31, 2013
	Tech Talenta Inc.	**172**	-
	Satyam Venture Engineering Services Private Limited	**109**	-
	Tech Mahindra Technologies Inc.	**387**	-
	Tech Mahindra Servicos De Informatica LTDA	**176**	-
	Satyam Computer Services (Nanjing) Co. Limited	**107**	-
	Citisoft Plc.	**73**	-
	vCustomer Philippines, Inc.	**84**	-
	Tech Mahindra ICT Services (Malaysia) SDN. BHD.	**296**	-
Reimbursement of Expenses (Net)-Paid/ (Receipt)	Mahindra & Mahindra Limited	**(1)**	9
	British Telecommunications Plc.	**-**	(104)
	Tech Mahindra (Americas) Inc.	**59**	(189)
	Tech Mahindra GmbH	**105**	63
	Tech Mahindra (Singapore) Pte. Limited	**(9)**	(1)
	Tech Mahindra (Thailand) Limited	**1**	0
	Mahindra Logisoft Business Solutions Limited	**-**	2
	PT Tech Mahindra Indonesia	**(147)**	(162)
	CanvasM Technologies Limited	**-**	(400)
	Tech Mahindra (Malaysia) Sdn.Bhd	**(13)**	(11)
	Venturbay Consultants Private Limited	**-**	(0)
	Tech Mahindra (Beijing) IT Services Limited	**15**	0
	Tech Mahindra (Bahrain) Limited S.P.C	**(18)**	(50)
	Tech Mahindra (Nigeria) Limited	**3**	39
	Comviva Technologies Limited	**6**	7
	Tech Mahindra Business Services Limited	**(0)**	-
	Satyam Computer Services Limited	**-**	(162)
	Tech Mahindra BPO Limited	**(35)**	(36)
	Citisoft Plc.	**0**	-
	New vC Services Private Limited	**(39)**	(15)
	vCustomer Philippines, Inc.	**2**	(0)
	Comviva Technologies FZ-LLC	**0**	-
	Tech Mahindra Servicos De Informatica LTDA	**10**	-
	Satyam Venture Engineering Services Private Limited	**(31)**	-
	Tech Talenta Inc.	**(5)**	-

₹ in Million

Nature of Transaction	Related party	Year ended March 31, 2014	Year ended March 31, 2013
	Satyam Computer Services (Shanghai) Co. Limited	1	-
	vCustomer Philippines (Cebu), Inc.	0	-
	Tech Mahindra ICT Services (Malaysia) SDN. BHD	(21)	-
	Mahindra Educational Institutions	(11)	-
	Tech Mahindra Technologies Inc.	4	-
Advance receivable written off	Tech Mahindra (Beijing) IT Services Ltd.	7	-
	Satyam Japan KK	100	-
Software/Hardware & project specific expenses	Comviva Technologies FZ-LLC	23	6
	Satyam Computer Services Limited	-	270
Rent Paid	British Telecommunication Plc.	-	10
	Satyam Computer Services Limited	-	100
	Tech Mahindra (Americas) Inc.	0	-
Rent Income	Tech Mahindra (Americas) Inc.	4	-
	Mahindra Logisoft Business Solutions Limited	-	1
	CanvasM Technologies Limited	-	3
	New vC Services Private Limited	14	7
	Satyam Computer Services Limited	-	13
	Tech Mahindra BPO Limited	121	-
	Citisoft Plc.	15	-
Professional Services	Mahindra & Mahindra Limited	17	7
	British Telecommunication Plc.	-	10
Interest Income	Tech Mahindra (Nigeria) Limited	2	1
	Citisoft Plc.	3	-
	Tech Mahindra South Africa (Pty) Ltd	0	-
Interest Expense	Satyam Computer Services Limited	-	162
	Tech Mahindra Business Services Limited	126	49
	CanvasM Technologies Limited	-	20
Donations	Tech Mahindra Foundation	324	97
	Mahindra Educational Institutions	20	-
Salary, Perquisites & Commission	Vineet Nayyar	37	56
	C. P. Gurnani	26	35
Stock Options	Key Management Personnel	#	#
Other Income	TML Benefit Trust	120	-
	Mahindra & Mahindra Limited	0	-
Dividend Paid	Mahindra & Mahindra Limited	303	243
	British Telecommunications Plc.	-	118

₹ in Million

Nature of Transaction	Related party	Year ended March 31, 2014	Year ended March 31, 2013
	TML benefit Trust	**120**	-
	Vineet Nayyar	**3**	3
	C P Gurnani	**2**	2
	Mahindra-BT Investment Company (Mauritius) Limited	**0**	0
Purchase of Fixed Assets	Satyam Computer Services Limited	**-**	2
	Mahindra & Mahindra Limited	**20**	1
Sale of Fixed Assets	Tech Mahindra Servicos De Informatica LTDA	**0**	-
	Tech Mahindra (Americas) Inc.	**49**	-
	Tech Mahindra ICT Services (Malaysia) SDN. BHD.	**12**	-
Loan/ICD availed	Tech Mahindra Business Services Limited	**1,600**	1,250
	CanvasM Technologies Limited	**-**	350
	Satyam Computer Services Limited	**-**	2,500
Loan/ ICD Given	Tech Mahindra South Africa (Pty) Limited	**31**	-
	Tech Mahindra (Nigeria) Limited	**-**	54
Loans received	Citisoft Plc.	**50**	-
	Tech Mahindra BPO Limited	**1,000**	-
Interest received	Citisoft Plc.	**25**	-
	Tech Mahindra (Nigeria) Limited	**2**	-
Loan/ ICD Repaid	Tech Mahindra Business Services Limited	**1,600**	1,250
Advances Given	Tech Mahindra South Africa (Pty) Limited	**31**	-
	Mahindra & Mahindra Limited	**6**	-
	Tech Mahindra Servicos De Informatica LTDA	**65**	-
Advances received back	Tech Mahindra Servicos De Informatica LTDA	**65**	-
	Tech Mahindra South Africa (Pty) Limited	**31**	-
Assets transferred	Tech Mahindra (Americas) Inc.	**337**	-
	Tech Mahindra GmbH	**9**	-
	Tech Mahindra (Singapore) Pte. Limited	**0**	-
	Tech Mahindra (Thailand) Ltd	**0**	-
	PT Tech Mahindra Indonesia	**1**	-
	Tech Mahindra (Malaysia) Sdn. Bhd	**0**	-
	Tech Mahindra (Nigeria) Limited	**0**	-
	Tech Mahindra ICT Services (Malaysia) SDN. BHD	**7**	-

₹ in Million

Nature of Transaction	Related party	Year ended March 31, 2014	Year ended March 31, 2013
Liabilities transferred	Tech Mahindra (Americas) Inc.	629	-
	Tech Mahindra (Thailand) Ltd	0	-
	Tech Mahindra (Bahrain) Limited S.P.C	2	-
Investments made	Tech Mahindra Business Services Limited	-	0
	Tech Mahindra (Beijing) IT Services Limited	-	1
	Tech Mahindra (Thailand) Limited	2	-
	Tech Mahindra Servicos De Informatica LTDA	489	-
	Satyam Computer Services (Nanjing) Co. Limited	41	-
	Tech Mahindra ICT Services (Malaysia) SDN. BHD.	12	-
	Mahindra Educational Institutions	0	-

₹ In Million

Balances as at	Name of the Party	As at March 31, 2014	As at March 31, 2013
Deposits Payable (Long Term)	CanvasM Technologies Limited	-	15
Short Term Borrowings	Satyam Computer Services Limited	-	2,500
	CanvasM Technologies Limited	-	350
Deposit Payable (short term)	Satyam Computer Services Limited	-	5
Trade Payables	Mahindra & Mahindra Limited	24	11
	Tech Mahindra (Americas) Inc.	4,793	1,335
	Tech Mahindra GmbH	155	328
	Tech Mahindra (Singapore) Pte. Limited	27	49
	Tech Mahindra (Thailand) Limited	3	8
	Tech Mahindra (Malaysia) Sdn. Bhd	45	27
	CanvasM Technologies Limited	-	428
	Tech Mahindra (Beijing) IT Services Limited	3	19
	Tech Mahindra (Bahrain) Limited S.P.C	6	35
	Mahindra Logisoft Business Solutions Limited	-	1
	Tech Mahindra (Nigeria) Limited	14	11
	Comviva Technologies FZ-LLC	2	6
	Satyam Computer Services Limited	-	937
	Tech Mahindra BPO Limited	167	84
	Satyam Computer Services (Shanghai) Co. Limited	4	0

₹ In Million

Balances as at	Name of the Party	**As at March 31, 2014**	As at March 31, 2013
	New vC Services Private Limited	**13**	10
	vCustomer Philippines, Inc.	**55**	-
	vCustomer Philippines (Cebu), Inc.	**0**	-
	Tech Talenta Inc.	**14**	-
	Tech Mahindra Technologies Inc.	**41**	-
	Citisoft Plc.	**19**	-
	Satyam Venture Engineering Services Private Limited	**19**	-
	Satyam Computer Services (Nanjing) Co. Limited	**7**	-
	Satyam Computer Services (Egypt) S.A.E	**1**	-
	Tech Mahindra Servicos De Informatica LTDA	**11**	-
	Satyam (Europe) Limited	**224**	-
	Comviva Technologies Limited	**13**	-
	Tech Mahindra ICT Services (Malaysia) SDN. BHD.	**77**	-
Loans Receivable (long term)	Tech Mahindra (Nigeria) Limited	**120**	109
	Tech Mahindra BPO Limited	**1,320**	-
	Tech Mahindra South Africa (Pty) Limited	**30**	-
	Satyam Associates Trust *	**28**	-
Loans Receivable (short term)	Tech Mahindra BPO Limited	**300**	-
Share Application Money pending allotment	Satyam Computer Services (Egypt) S.A.E	**32**	-
	Satyam (Europe) Limited @	**34**	-
Trade Receivables Current	Mahindra & Mahindra Limited	**69**	22
	British Telecommunications Plc.	**-**	5,224
	Tech Mahindra (Americas) Inc.	**713**	110
	Tech Mahindra GmbH	**34**	60
	Tech Mahindra (Singapore) Pte. Limited	**42**	(2)
	Tech Mahindra (Thailand) Limited	**51**	-
	PT Tech Mahindra Indonesia	**25**	15
	Tech Mahindra (Malaysia) Sdn. Bhd	**180**	120
	CanvasM Technologies Limited	**-**	2
	Tech Mahindra (Beijing) IT Services Limited	**5**	9
	Tech Mahindra (Bahrain) Limited S.P.C	**22**	95
	Tech Mahindra (Nigeria) Limited	**386**	248

₹ In Million

Balances as at	Name of the Party	As at March 31, 2014	As at March 31, 2013
	Satyam Computer Services Limited	-	209
	Tech Mahindra BPO Limited	20	-
	Satyam Computer Services (Shanghai) Co. Limited	44	-
	Comviva Technologies Limited	7	-
	Tech Mahindra Servicos De Informatica LTDA	84	-
	Satyam Computer Services (Egypt) S.A.E	31	-
	Satyam Colombia Servicios DE Informatica SAS	13	-
	Complex IT Solutions Consultoria EM Informatica S.A.	3	-
Trade Receivables Non – Current	Mahindra & Mahindra Limited	7	-
	Tech Mahindra BPO Limited	0	-
	Satyam Computer Services (Egypt) S.A.E	21	-
	Satyam (Europe) Limited	114	-
Contractual Obligation receivable	Mahindra & Mahindra Limited	3	-
	Tech Mahindra (Americas) Inc.	42	-
	Tech Mahindra (Thailand) Limited	1	-
	Tech Mahindra (Nigeria) Limited	28	-
	Tech Mahindra BPO Limited	0	-
	Comviva Technologies Limited	8	-
	Satyam Computer Services (Shanghai) Co. Limited	1	-
	Citisoft Plc.	4	-
	Satyam Venture Engineering Services Private Limited	0	-
	Tech Talenta Inc.	10	-
Unbilled Revenue Receivable	Mahindra & Mahindra Limited	3	-
	Tech Mahindra (Nigeria) Limited	4	-
	Satyam Computer Services (Shanghai) Co. Limited	44	-
	Comviva Technologies Limited	2	-
	Tech Mahindra Servicos De Informatica LTDA	28	-
Unearned Revenue	Satyam Computer Services (Shanghai) Co. Limited	1	-

₹ In Million

Balances as at	Name of the Party	As at March 31, 2014	As at March 31, 2013
Advances receivable (Short Term)	Tech Mahindra (Americas) Inc.	**353**	24
	Tech Mahindra GmbH	**27**	24
	Tech Mahindra (Singapore) Pte. Limited	**1**	1
	Tech Mahindra (Thailand) Ltd.	**0**	-
	PT Tech Mahindra Indonesia	**42**	47
	Tech Mahindra (Malaysia) Sdn. Bhd	**1**	8
	CanvasM Technologies Limited	**-**	78
	Tech Mahindra (Bahrain) Limited S.P.C	**4**	16
	Tech Mahindra (Beijing) IT Services Limited	**0**	28
	Comviva Technologies FZ-LLC	**0**	2
	Mahindra Logisoft Business Solutions Limited	**-**	0
	Satyam Computer Services Limited	**-**	176
	Tech Mahindra BPO Limited	**7**	12
	Satyam Venture Engineering Services Private Limited	**2**	-
	New vC Services Private Limited	**11**	11
	vCustomer Philippines, Inc.	**-**	0
	Tech Mahindra ICT Services (Malaysia) SDN. BHD.	**43**	-
	Mahindra Educational Institution	**11**	-
	Tech Mahindra Business Services Limited	**0**	-
	Citisoft Plc.	**0**	-
Advances receivable (Long Term)	Satyam Computer Services (Egypt) S.A.E	**28**	-
	Satyam (Europe) Ltd	**269**	-
	Vision Compass Inc	**346**	-
	Mahindra Educational Institutions	**0**	-
	Tech Mahindra (Nigeria) Limited	**70**	52
Donation Payable	Tech Mahindra Foundation	**3**	-
Payable to Key management personnel (Trade Payables)	Mr. Vineet Nayyar	**11**	11
	Mr. C P Gurnani	**7**	4

@ The company has been liquidated/dissolved as per the laws of the respective country. However, the Company is awaiting approval from the Reserve Bank of India for writing off these amounts from the books of the Company. Such outstanding amount has been fully provided for, net of payables.

* Erstwhile Satyam had given an interest free loan to Satyam Associates Trust amounting to ₹ 50 Million in the earlier years (Balance outstanding as at March 31, 2014 – ₹ 28 Million). The loan was provided by erstwhile Satyam in the prior years as a funding to the Trust for repayment of loans obtained by the Trust from external parties. As per the terms of understanding with the

Trust, the loan is repayable by the Trust to the Company on receipt of the exercise price from the employees who have been allotted options under the erstwhile ASOP-A scheme.

Stock options: Key Management Personnel

Particulars	Vineet Nayyar Executive Vice Chairman	C. P. Gurnani Managing Director
Options exercised during the year ended March 31, 2014	**500,000** [-]	**260,641** [-]
Options granted during the year ended March 31, 2014	**900,000** [-]	**900,000** [-]
Options outstanding as at March 31, 2014	**2,392,567** [1,992,567]	**2,418,926** [1,842,567]

Figures in brackets "[ ]"are for the previous year ended March 31, 2013.

65. Particulars of amount of loans and advances in nature of loans outstanding from subsidiaries as at March 31, 2014

₹ in Million

Name of the Company	Balance as at March 31, 2014	Maximum amount outstanding during the year
Tech Mahindra (Nigeria) Limited	**191** [109]	**202** [110]
Tech Mahindra South Africa (Pty) Limited	**30** [-]	**31** [-]
Tech Mahindra BPO Limited	**1,620** [-]	**2,620** [-]
Citisoft Inc.	**-** [-]	**76** [-]
Satyam Computer Services (Egypt) S.A.E (including advance towards share application money)#	**60** [-]	**60** [-]
Satyam (Europe) Ltd (including advance towards share application money)*	**303** [-]	**303** [-]
Vision Compass Inc*	**346** [-]	**346** [-]

Figures in brackets "()"are for the previous year ended March 31, 2013.

All the above mentioned amounts are interest free except –

- Loan to Tech Mahindra (Nigeria) Limited amounting to USD 2 Million (₹ 120 Million)
- Loan to Tech Mahindra South Africa (Pty) Limited USD 0.5 Million (₹ 30 Million)
- Loan to Citisoft Plc. GBP 0.5 Million (₹ 50 Million)

This Company is in process of liquidation.

* These companies have been liquidated/dissolved as per the laws of the respective countries. However, the company is awaiting approval from Reserve Bank of India for writing off these amounts from the books of the company. Such outstanding amounts have been fully provided for, net of payables.

There are no loans and advances in the nature of loans as at March 31, 2014 where there is no repayment schedule / repayment beyond seven years.

Disclosure pursuant to Clause 32 of the listing agreement

Particulars	**Loans and Advance**	**Amount outstanding as at March 31, 2014**	**Maximum amount outstanding during the year**
To subsidiaries	Refer table above		
To associates	-	-	-
To firms/companies in which directors are interested (other than subsidiaries/associates mentioned above)	-	-	-
Where there is			
No Repayment schedule	-	-	-
Repayment beyond seven years	-	-	-
No Interest	Refer table above		
Interest rates below as specified under section 372A of the act	-	-	-

66. Employee Stock Option Scheme

a) The Company has instituted "Employee Stock Option Plan 2000" (ESOP) for eligible employees and Directors of the Company and its subsidiaries. In terms of the said plan, the company has granted options to the eligible employees which vest at the rate of 33.33% on each successive anniversary of the grant date. The options can be exercised over a period of 5 years from the date of grant. Each option carries with it the right to purchase one equity share of the Company at the exercise price determined by the Company on the basis of fair value of the equity shares at the time of grant. The details of the options are as under:

Particulars	**March 31, 2014**	March 31,2013
Options outstanding at the beginning of the year	**392,830**	448,500
Options granted during the year	**200,000**	-
Options lapsed during the year	**-**	-
Options cancelled during the year	**7,810**	41,470
Options exercised during the year	**100,190**	14,200
Options outstanding at the end of the year	**484,830**	392,830

Out of the options outstanding as at March 31, 2014, there are **160,550** (previous year: 131,120) (Net of exercised & lapsed) vested options, which have not been exercised.

b) The Company has instituted "Employee Stock Option Plan 2004" (ESOP 2004) for eligible employees and Directors of the Company. In terms of the said plan, the Compensation and Nomination Committee has granted options to employees of the Company. The options are divided into upfront options and performance options. The upfront options are divided into three sets which will entitle holders to subscribe to option shares at the end of first year, second year and third year. The vesting of the performance options will be decided by the Compensation and Nomination Committee based on the performance of employees.

Particulars	**March 31, 2014**	March 31, 2013
Options outstanding at the beginning the year	**2,235,134**	2,235,134
Options granted during the year	**-**	-
Options lapsed during the year	**-**	-
Options cancelled during the year	**-**	-
Options exercised during the year	**760,641**	-
Options outstanding at the end of the year	**1,474,493**	2,235,134

Out of the options outstanding as at March 31, 2014, there are **1,474,493** (previous year: 2,235,134) (Net of exercised & lapsed) vested options, which have not been exercised.

c) The Company has instituted "Employee Stock Option Plan 2006 "(ESOP 2006) for eligible employees and Directors of the Company and its subsidiaries. In terms of the said plan, the Compensation and Nomination Committee has granted options to the employees of the Company. The vesting of the options is 10%, 15%, 20%, 25%, and 30 % of total options granted after 12, 24, 36, 48 and 60 months, respectively from the date of grant. The maximum exercise period is 7 years from the date of grant.

The details of the options are as under:

Particulars	**March 31, 2014**	March 31, 2013
Options outstanding at the beginning of the year	**1,291,825**	1,931,883
Options granted during the year	**168,000**	116,000
Options lapsed during the year	**40,240**	71,778
Options cancelled during the year	**70,575**	171,790
Options exercised during the year	**458,230**	512,490
Options outstanding at the end of the year	**890,780**	1,291,825

Out of the options outstanding as at March 31, 2014, there are **209,255** (previous year: 571,225) (net of exercised & lapsed) vested options, which have not been exercised.

d) The Company has instituted "Employee Stock Option Plan 2010 "(ESOP 2010) for eligible employees and Directors of the Company and its subsidiaries. In terms of the said Plan, options to the employees and Directors in form of Options shall vest at the rate of 33.33% on each successive anniversary of the grant date. The options can be exercised over a period of 5 years from the date of grant. Each Option carries with it the right to purchase one equity share of the Company at the exercise price determined by Compensation and Nomination Committee.

The details of the options are as under:

Particulars	**March 31, 2014**	March 31, 2013
Options outstanding at the beginning of the year	**2,166,874**	2,278,500
Options granted during the year	**3,350**	10,000
Options lapsed during the year	**-**	-
Options cancelled during the year	**40,002**	15,834
Options exercised during the year	**149,139**	105,792
Options outstanding at the end of the year	**1,981,083**	2,166,874

Out of the options outstanding as at March 31, 2014, there are **1,777,364** (previous year: 1,189,404) (net of exercised & lapsed) vested options, which have not been exercised.

e) TML ESOP – B 2013

Erstwhile Satyam has established a scheme 'Associate Stock Option Plan – B' (ASOP - B) under which 28,925,610 options were available for grant/exercise at the time the Scheme of Amalgamation became effective. Post merger, these options were adjusted in terms of the approved Scheme of Amalgamation and obtained Listing approval for 3,403,013 options and each option entitles the holder one equity share of ₹10/- each of the company. These options vest over a period of 1-4 years from the date of the grant. Upon vesting, employees have 5 years to exercise the options. Post-merger, the name of the ESOP scheme has been changed to 'TML ESOP B 2013'.

The details of the options are as under:

Particulars	March 31, 2014
Options outstanding at the beginning of the year	1,731,333
Options granted during the year ended **	1,921,889
Options lapsed during the year ended	150,023
Options cancelled during the year ended	185,957
Options exercised during the year ended	365,419
Options outstanding at the end of the year ended	2,951,823

Out of the options outstanding at the end of the year ended March 31, 2014, there are **851,296** (Net of exercised & lapsed) vested options, which have not been exercised.

** included 4,300 Options granted and outstanding at the end of the period adjusted for round off as per the scheme.

f) TML- RSU

The erstwhile Satyam has established a scheme 'Associate Stock Option Plan - Restricted Stock Units (ASOP – RSUs)' to be administered by the Administrator of the ASOP – RSUs, a committee appointed by the Board of Directors of the erstwhile Satyam in May 2000. Under the scheme, 1,529,412 equity shares (equivalent number of equity shares post-merger) are reserved to be issued to eligible associates at a price to be determined by the Administrator which shall not be less than the face value of the share. These RSUs vest over a period of 1-4 years from the date of the grant. The maximum time available to exercise the warrants upon vesting is five years from the date of vesting. Post-merger, the scheme has been adopted and approved by the shareholders of the Company & the name of the ESOP scheme has been changed to TML RSU. The Company has reissued respective options in the agreed ratio as per the merger scheme.

The details of the options are as under:

Particulars	March 31, 2014
Options outstanding at the beginning of the year	717,615
Options granted during the year ended **	248,912
Options lapsed during the year ended	1,524
Options cancelled during the year ended	42,914
Options exercised during the year ended	55,833
Options outstanding at the end of the year ended	866,256

** included 206 Options granted and outstanding at the end of the period adjusted for round off as per the scheme.

Out of the options outstanding at the end of the year ended March 31, 2014, there are **128,214** (Net of exercised & lapsed) vested options, which have not been exercised.

g) ESOP - A

Erstwhile Satyam had established a ESOP scheme viz., 'Associate Stock Option Plan – A' (ASOP - A) formulated prior to the SEBI Guidelines on ESOP and ESPS issued in 1999. This plan was administered through an employee's trust viz., Satyam Associates Trust. (Satyam Trust). At the time the Scheme of Amalgamation and Arrangement become effective, the Satyam Trust was holding 2,055,320 shares of erstwhile Satyam, which post amalgamation were converted into 241,802 shares of the company at the approved share exchange ratio. Also at the same time, this scheme was been transitioned and renamed as ESOP-A. Satyam Trust granted 241,802 warrants to the employees of the company with an exercise price of ₹ 120 with vesting schedule spread over 4 years with 25% each year. Each warrant shall entitle the warrant holder one equity share of ₹10 each fully paid up. The exercise period is 30 days from the date of each vesting.

Particulars	**March 31, 2014**
Options outstanding at the beginning of the year	**-**
Options granted during the year ended	**242,802**
Options lapsed during the year ended	**-**
Options cancelled during the year ended	**2,500**
Options exercised during the year ended	**-**
Options outstanding at the end of the year ended	**240,302**

h) The stock compensation cost for the Employee Stock Option Plan 2010, Employee Stock Option Plan 2000, Employee Stock Option Plan- B 2013, ASOP-A and TML-RSU schemes issued at par has been computed under the intrinsic value method and amortized over the total vesting period. For the year ended March 31, 2014 the company has accounted for stock compensation expense amounting to ₹ **1,312 Million** (previous year: ₹ 500 Million).

i) The Company uses the intrinsic value-based method of accounting for stock options granted after April 1, 2005. Had the compensation cost for the Company's stock based compensation plan been determined in the manner consistent with the fair value approach based on Black and Scholes model, the Company's net profit would be lower by ₹ **254 Million** (previous year: lower by ₹ 70 Million) and earnings per share as reported would be as indicated below:

₹ in Million except earnings per share

Particulars	**For the Year ended March 31, 2014**	For the Year ended March 31, 2013
Profit after tax and before exceptional item (As reported)	**25,655**	6,525
Add: Exceptional Item – Income (refer note 71)	**1,200**	-
Net Profit after exceptional item	**26,855**	6,525
Stock-based employee compensation expense determined under fair value base method	**(254)**	(70)
Adjusted net profit (before exceptional item)	**25,401**	6,455
Adjusted net profit (after exceptional item)	**26,601**	6,455
Basic earnings per share (in ₹) (before exceptional item)		
As reported	**110.33**	51.10
Adjusted	**109.24**	50.56
Diluted earnings per share (in ₹) (before exceptional item)		
As reported	**107.39**	48.99
Adjusted	**106.33**	48.46

₹ in Million except earnings per share

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Basic earnings per share (in ₹) (after exceptional item)		
As reported	**115.49**	51.10
Adjusted	**114.40**	50.56
Diluted earnings per share (in ₹) (after exceptional item)		
As reported	**112.41**	48.99
Adjusted	**111.35**	48.46

The fair value of each option is estimated on the date of grant based on the following assumptions (on weighted average basis):

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Dividend yield (%)	**0.55**	0.55
Expected life	**4.33 Years**	5.11 Years
Risk free interest rate (%)	**8.46**	8.31
Volatility (%)	**36.91**	50.29

67. Earnings Per Share is calculated as follows

₹ in Million except earnings per share

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Profit after taxation and before exceptional item	**25,655**	6,525
Add: Exceptional item – income (refer note 71)	**1,200**	-
Profit after taxation and exceptional item	**26,855**	6,525
Net Profit attributable to shareholders	**26,855**	6,525
Equity Shares outstanding at the end of the year (in nos.)	**233,472,886**	128,119,023
Weighted average Equity Shares outstanding at the end of the year (in nos.)	**232,530,102**	127,684,331
Weighted average number of Equity Shares used as denominator for calculating Basic Earnings Per Share	**232,530,102**	127,684,331
Add: Dilutive impact of employee stock options	**6,368,827**	5,512,406
Number of Equity Shares used as denominator for calculating Diluted Earnings Per Share	**238,898,929**	133,196,737
Nominal Value per Equity Share (in ₹)	**10**	10
Earnings Per Share		
- Before Exceptional Item		
Earnings Per Share (Basic) (in ₹)	**110.33**	51.10
Earnings Per Share (Diluted) (in ₹)	**107.39**	48.99
- After Exceptional Item		
Earnings Per Share (Basic) (in ₹)	**115.49**	51.10
Earnings Per Share (Diluted) (in ₹)	**112.41**	48.99

68. Segment information has been presented in the Consolidated Financial Statements as permitted by Accounting Standard (AS 17) on Segment Reporting as notified under the Companies (Accounting Standard) Rules, 2006.

69. In respect of equity shares issued by the company after the date of the Balance Sheet (i.e. 31st March 2013) pursuant to exercise of options by employees granted to them and before the book closure date for the Annual General Meeting, the Company has paid dividend of ₹ 0.70 Million and dividend tax thereon of ₹ 0.10 Million as approved by the shareholders in the Annual General Meeting held on September 26, 2013.

70. Based on the information available with the Company, no creditors have been identified as "supplier' within the meaning of " Micro, Small and Medium Enterprises Development (MSMED) Act, 2006".

71. Exceptional item:

The exceptional item (income) amounting to ₹ **1,200 Million** represents write back during the current year of an estimated excess provision for contingencies provided in an earlier year by erstwhile Satyam, based on a re-evaluation of the same by the Management.

72. Previous period's figures have been regrouped / reclassified wherever necessary, to correspond with the current period's classification / disclosure.

For and on behalf of the Board of Directors

Anand G. Mahindra
Chairman

Vineet Nayyar
Executive Vice Chairman

C.P.Gurnani
Managing Director

Anupam Puri
Director

Bharat Doshi
Director

M. Damodaran
Director

M. Rajyalakshmi Rao
Director

T. N. Manoharan
Director

Ravindra Kulkarni
Director

Ulhas N Yargop
Director

Milind Kulkarni
Chief Financial Officer

G. Jayaraman
Company Secretary

New York, USA
Dated: May 14, 2014

INDEPENDENT AUDITORS' REPORT

To The Board of Directors of

Tech Mahindra Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **TECH MAHINDRA LIMITED** (the "Company"), its subsidiaries and jointly controlled entity (the Company, its subsidiaries and jointly controlled entity constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

4. Attention is invited to the following matter in respect of the erstwhile Satyam Computer Services Limited (erstwhile Satyam), amalgamated with the Company with effect from 1st April 2011:

   As stated in Note 31.3, the alleged advances to the erstwhile Satyam, amounting to ₹ 12,304 Million (net) relating to prior years has been presented separately under "Amounts pending investigation suspense account (net)" in the Balance Sheet. The details of these claims and the related developments are more fully described in the said Note.

   Further, as stated in the said Note, the Company's Management is of the view that the claim regarding repayment of the alleged advances not being legally tenable has been reinforced in view of the developments described in the said Note including based on legal opinion. However, pending the final outcome of the recovery suit filed by the 37 companies in the City Civil Court and the Enforcement Directorate matter under the Prevention of Money Laundering Act pending before the Honourable 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. Also, in the opinion of the Company's Management, even if the principal amounts of such claims are held to be tenable and the Company is required to repay these amounts, such an eventuality should 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.

In the absence of complete / required information, and since the matter is sub-judice, we are unable to comment on the accounting treatment / adjustments/disclosures relating to the aforesaid alleged advances amounting to ₹ 12,304 Million (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 statements. However, in the eventuality of any payment upto ₹ 12,304 Million, against the aforesaid claims for the principal amounts of the alleged advances, there should be no impact on the profits \ losses or reserves of the Company.

Qualified Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, **except for the matter described in the Basis for Qualified Opinion in paragraph 4 above, the consequential effects, if any, of which are not quantifiable**, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries and unaudited financial statements of subsidiaries and jointly controlled entity referred to in the Other Matters paragraphs 7 and 8 below respectively, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2014;

   (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

   (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

6. We draw attention to the following matters:

   (a) Notes 31.1 and 31.2 - In respect of the financial irregularities in the erstwhile Satyam relating to prior years identified consequent to the letter dated January 7, 2009 of the then Chairman of erstwhile Satyam, various regulators/investigating agencies initiated their investigations and legal proceedings, which are ongoing.

   Further, based on the forensic investigation, an aggregate amount of ₹ 11,393 Million (net debit) was identified in the financial statements of erstwhile Satyam as at 31st March, 2009 under "Unexplained differences suspense account (net)" due to non-availability of complete information. On grounds of prudence, these amounts had been provided for by erstwhile Satyam in the financial year ended 31st March, 2009. As there is no further information available with the Management even after the lapse of more than three years, the said amount of ₹ 11,393 Million has been written off in the books of the Company during the year ended 31st March, 2014.

   The Company's 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.

   (b) In respect of the non-compliances/breaches in the erstwhile Satyam relating to certain provisions of the Companies Act, 1956, certain employee stock option guidelines issued by the Securities Exchange Board of India and certain matters under the provisions of FEMA, observed in the prior years under its erstwhile management (prior to the appointment of Government nominated Board).

   As per the Company's Management, any adjustments, if required, in the financial statements of the Company would be made as and when the outcomes of the above matters are concluded.

   (c) Note 29.5 - Appeals against the order by the single judge of the Honourable 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.

(d) As stated in Note 35.3.v, erstwhile Satyam was carrying a total amount of ₹ 4,989 Million (net of taxes paid) as at 31st March, 2013 (that is, 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 Company's 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 ₹ 2,266 Million determined based on such evaluation in respect of the prior years has been written back during the current year. The Company's Management is of the view that the balance provision for taxation carried in the books with respect to the prior year disputes relating to erstwhile Satyam is adequate.

(e) In the case of one of the subsidiaries of the Company whose financial statements/ financial information reflect total assets (net) of ₹ 1,196 Million as at 31st March 2014, total revenues of ₹ 1,295 Million and net cash outflows amounting to ₹ 139 Million for the year ended on that date 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 31st March 2012 and 31st March, 2013 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 31st March 2013 have been drawn up incorporating the opening balances based on the financial statements for the year ended 31st March 2012 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.

Our opinion is not qualified in respect of these matters.

Other Matters

7. We did not audit the financial statements / financial information of 35 subsidiaries (including step-down subsidiaries), whose financial statements/ financial information reflect total assets (net) of ₹ 11,977 Million as at 31st March 2014, total revenues of ₹ 15,221 Million and net cash outflows amounting to ₹ 23 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

8. The consolidated financial statements include the unaudited financial statements of 4 subsidiaries and 1 jointly controlled entity, whose financial statements reflect total assets (net) of ₹ Nil as at 31st March 2014, total revenue of ₹ 412 Million and net cash inflows amounting to ₹ 61 Million for the year ended on that date, as considered in the consolidated financial statements. Our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and jointly controlled entity is based solely on such unaudited financial statements/financial information.

Our opinion is not qualified in respect of these matters.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: Pune, India
Date: May 14, 2014

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

₹ in Million

		Note		March 31, 2014	March 31, 2013
I	**EQUITY AND LIABILITIES**				
1	**Shareholders' Funds**				
	(a) Share Capital	3	2,335		1,281
	(b) Reserves and Surplus	4	89,470		52,972
				91,805	54,253
2	**Share Application Money Pending Allotment (refer note 40)**			15	3
3	**Minority Interest**			1,438	1,089
4	**Non-Current Liabilities**				
	(a) Long-Term Borrowings	5	190		3,000
	(b) Other Long-Term Liabilities	6	3,757		2,255
	(c) Long-Term Provisions	7	4,138		2,063
				8,085	7,318
5	**Current Liabilities**				
	(a) Short-Term Borrowings	8	334		7,804
	(b) Trade Payables	9	14,722		7,414
	(c) Other Current Liabilities	10	18,024		8,685
	(d) Short-Term Provisions	11	12,669		3,278
				45,749	27,181
6	**Amount Pending Investigation Suspense Account (Net) (refer note 31.3)**			12,304	-
				159,396	89,844
II	**ASSETS**				
1	**Non-Current Assets**				
	(a) Fixed Assets	12			
	(i) Tangible Assets		19,459		8,823
	(ii) Intangible Assets		845		216
	(iii) Capital Work-in-Progress		2,662		343
				22,966	9,382
	(b) Non-Current Investments	13		12,194	39,242
	(c) Deferred Tax Asset (refer note 54)			3,830	1,511
	(d) Long-Term Loans and Advances	14		9,137	5,380
	(e) Other Non-Current Assets	15		157	10
	(f) Goodwill on Consolidation			5,640	3,407
				53,924	58,932
2	**Current Assets**				
	(a) Current Investments	16	2,525		1,745
	(b) Inventory	17	98		110
	(c) Trade Receivables	18	43,486		17,036
	(d) Cash and Bank Balances	19	33,202		5,358
	(e) Short-Term Loans and Advances	20	14,544		4,287
	(f) Other Current Assets	21	11,617		2,376
				105,472	30,912
				159,396	89,844
	See accompanying notes forming part of the financial statements	1 to 64			

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Pune, India, May 14, 2014

For Tech Mahindra Limited

Anand G. Mahindra Chairman	Vineet Nayyar Executive Vice Chairman	C. P. Gurnani Managing Director
Anupam Puri Director	Bharat Doshi Director	M. Damodaran Director
M. Rajyalakshmi Rao Director	Ravindra Kulkarni Director	T. N. Manoharan Director
Ulhas N. Yargop Director		
Milind Kulkarni Chief Financial Officer	G. Jayaraman Company Secretary	

New York, USA, May 14, 2014

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

₹ in Million except Earnings per share

		Note	Year Ended March 31, 2014	Year Ended March 31, 2013
I	Revenue from Operations (refer note 45)		**188,314**	68,731
II	Other Income (net)	22	**1,130**	(747)
III	**Total Revenue (I + II)**		**189,444**	67,984
IV	**Expenses:**			
	Employee Benefits Expense	23	**97,355**	36,720
	Subcontracting Expenses		**17,114**	6,615
	Operating and Other Expenses	24	**32,007**	11,154
	Finance Costs	25	**799**	1,030
	Depreciation and Amortisation Expense	12	**5,222**	2,000
	Total Expenses		**152,497**	57,519
V	**Profit before Exceptional Item, Tax, Minority Interest and Share in Earnings of Associate (III - IV)**		**36,947**	10,465
VI	Exceptional Item - Income (refer note 61)		**1,200**	-
VII	**Profit before Tax, Minority Interest and Share in Earnings of Associate (V + VI)**		**38,147**	10,465
VIII	Tax Expense:			
	(a) Current Tax (refer note 57)		**10,313**	2,533
	(b) Earlier years excess Provision written back (refer note 35.3.(v))		**(2,266)**	-
	(c) Deferred Tax (refer note 54)		**(350)**	(178)
	(d) MAT (Minimum Alternative Tax)		**(174)**	-
IX	**Profit after Tax and before Minority Interest and Share in Earnings of Associate (VII-VIII)**		**30,624**	8,110
X	Minority Interest		**(336)**	(196)
XI	**Profit after Tax and Minority Interest and before Share in Earnings of Associate (IX+X)**		**30,288**	7,914
XII	**Share in Associate (refer note 29)**			
	Profit After Tax and Minority Interest (excluding exceptional items)		**-**	5,647
	Exceptional Items		**-**	(683)
XIII	**Profit for the year (XI+XII)**		**30,288**	12,878
	Earnings Per Equity Share (face value ₹ 10) (Before exceptional item) in ₹ (refer note 56)			
	(a) Basic		**125.09**	100.85
	(b) Diluted		**121.76**	96.68
	Earnings Per Equity Share (face value ₹ 10) (After exceptional item) in ₹ (refer note 56)			
	(a) Basic		**130.25**	100.85
	(b) Diluted		**126.78**	96.68
	See accompanying notes forming part of the financial statements	1 to 64		

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Pune, India, May 14, 2014

For Tech Mahindra Limited

Anand G. Mahindra
Chairman

Vineet Nayyar
Executive Vice Chairman

C. P. Gurnani
Managing Director

Anupam Puri
Director

Bharat Doshi
Director

M. Damodaran
Director

M. Rajyalakshmi Rao
Director

Ravindra Kulkarni
Director

T. N. Manoharan
Director

Ulhas N. Yargop
Director

Milind Kulkarni
Chief Financial Officer

G. Jayaraman
Company Secretary

New York, USA, May 14, 2014

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED MARCH 31, 2014

₹ in Million

			Year Ended March 31, 2014	Year Ended March 31, 2013
A	**Cash Flow from Operating Activities**			
	Profit before Exceptional Item, Tax, Minority Interest and Share in Earnings of Associate		**36,947**	10,465
	Adjustments for :			
	Depreciation and Amortisation Expense	**5,222**		2,000
	Amortisation of Deferred Revenue	**(1,707)**		(2,065)
	Provision for Doubtful Receivables, Unbilled Revenue and other Advances, Bad debts, Deposits and Loans and Advances written off (net)	**1,456**		144
	Provision for Impairment in Non Current Investment	**243**		-
	Customer Claims and Warranties (net)	**136**		3
	(Profit) / Loss on Sale of Fixed Assets (net)	**(113)**		(20)
	Finance Costs	**799**		1,030
	Unrealised Exchange (Gain) / Loss (net)	**1,013**		312
	Employee Stock Compensation Cost	**1,312**		500
	Provision on non-current investments no longer required (refer note 26.(x))	**(86)**		-
	Interest Income	**(2,045)**		(46)
	Dividend Income	**(156)**		(49)
	Net (Profit) / Loss on Sale of Current Investments	**-**		0
	Decrease in Fair Value of Current Investments	**-**		(0)
			6,074	1,809
	Operating Profit before working capital changes		**43,021**	12,274
	Trade Receivables and Other Assets	**(20,435)**		(2,200)
	Trade Payables, Other Liabilities and Provisions	**4,284**		1,884
			(16,151)	(316)
	Cash Generated from Operations		**26,870**	11,958
	Income Tax Paid (net)		**(10,941)**	(3,410)
	Net Cash Flow from / (used in) Operating Activities (A)		**15,929**	8,548
B	**Cash Flow from Investing Activities**			
	Purchase of Fixed Assets	**(9,397)**		(1,787)
	Proceeds from Sale of Fixed Assets	**259**		40
	Purchase of Current Investments	**(47,298)**		(11,577)
	Sale of Current Investments	**46,674**		11,581
	Purchase of Treasury Bonds	**(7)**		(8)
	Acquisition of Company (refer note 26.(xiv))	**(355)**		(6,122)
	Additional investment in Subsidiary (refer note 26.(viii))	**(756)**		-
	Sale of investment in Subsidiary (refer note 26.(x))	**217**		-
	Proceeds on maturity of Treasury Bills	**-**		1
	Margin Money Realised	**6,684**		-
	Margin Money Placed	**(4,909)**		-
	Interest Received	**2,476**		46
	Net Cash Flow from / (used in) Investing Activities (B)		**(6,412)**	(7,826)
C	**Cash Flow from Financing Activities**			
	Proceeds from issue of Equity Shares (Including Share Application Money)	**497**		71
	Dividend (Including Tax on Dividend) paid	**(1,359)**		(593)
	Proceeds from Short-Term Borrowings	**8,521**		30,785
	Repayment of Short-Term Borrowings	**(16,613)**		(28,594)
	Proceeds from Long-Term Borrowings	**221**		-
	Repayment of Long-Term Borrowings	**(16)**		-
	Finance Costs	**(974)**		(1,017)

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED MARCH 31, 2014

₹ in Million

	Year Ended March 31, 2014	Year Ended March 31, 2013
Net Cash Flow from / (used in) Financing Activities (C)	**(9,723)**	652
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**(206)**	1,374
Cash and Cash Equivalents at the beginning of the year	**5,371**	2,389
Increase in Cash and Cash Equivalents on Amalgamation (refer note 29)	**22,850**	-
Decrease in Cash and Cash Equivalents on Disposal of Subsidiary (refer note 26.(x))	**(219)**	-
Increase in Cash and Cash Equivalents on Acquisition (refer note 26.(xiv))	**1**	1,608
Cash and Cash Equivalents (refer note (ii)) at the end of the	**27,797**	5,371

Notes :

i) Purchase of Fixed Assets are stated inclusive of movements of Capital Work-in-Progress, Capital Creditors and Capital Advances between the commencement and end of the year and are considered as part of Investing Activity.

ii)

₹ in Million

Particulars	**March 31, 2014**	March 31, 2013
Cash and Cash Equivalents *	**28,445**	5,352
Unrealised Loss/(Gain) on Foreign Currency Balances	**(648)**	19
Total	**27,797**	5,371
*** Cash and Cash Equivalents Comprises of**		
Cash on Hand	**2**	-
Balances with Banks :		
(a) Funds in Transit	**87**	-
(b) In Current Accounts	**14,182**	5,060
(c) In Deposit Accounts	**14,174**	292
	28,445	5,352
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Bank Balances (refer note 19)	**33,202**	5,358
Less:		
Balances held as Margin Money/Security towards obtaining Bank Guarantees	**4,543**	-
Unclaimed Dividend	**37**	6
Balance held under Escrow Account	**177**	-
Total Cash and Cash Equivalents	**28,445**	5,352

iii) Cash and Cash Equivalents include Equity Share Application Money of ₹ **15 Million** (previous year ₹ 3 Million).

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Pune, India, May 14, 2014

For Tech Mahindra Limited

Anand G. Mahindra
Chairman

Vineet Nayyar
Executive Vice Chairman

C. P. Gurnani
Managing Director

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Director

T. N. Manoharan
Director

Ulhas N. Yargop
Director

Milind Kulkarni
Chief Financial Officer

G. Jayaraman
Company Secretary

New York, USA, May 14, 2014

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2014.

1. Corporate Information:

Tech Mahindra Limited (referred to as "TechM" or the "Company") operates mainly into two sectors i.e. Telecom business and Enterprise Solutions business. The telecom business provides consulting-led integrated portfolio services to customers which are Telecom Equipment Manufacturers, Telecom Service Providers and IT Infrastructure Services, Business Process Outsourcing as well as Enterprise Services (BFSI, Retail & Logistics, Manufacturing, E&U, and Healthcare, Life Sciences, etc.) of Information Technology (IT) and IT-enabled services delivered through a network of multiple locations around the globe. The enterprise solutions business provides comprehensive range of IT services, including IT enabled services, application development and maintenance, consulting and enterprise business solutions, extended engineering solutions and infrastructure management services to diversified base of corporate customers in a wide range of industries including insurance, banking and financial services, manufacturing, telecommunications, transportation and engineering services. The Company's registered office is in Mumbai, India and has over 40 subsidiaries across the globe.

2. Significant accounting policies:

2.1 Principles of consolidation:

The financial statements of TechM and its subsidiaries have been consolidated on a line by line basis by adding together like items of assets, liabilities, income, expenses, after eliminating intra group transactions and any unrealized gains or losses in accordance with the Accounting Standard - 21 on "Consolidated Financial Statements" (AS 21).

The financial statements of TechM and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.

The excess of cost of investments in the subsidiary company/s over the share of the equity of the subsidiary company/s at the date on which the investment in the subsidiary company/s is made is recognised as 'Goodwill on Consolidation' and is disclosed on the face of the Balance Sheet in the Consolidated Financial Statements. Alternatively, where the share of equity in the subsidiary company/s as on the date of investment is in excess of cost of the investment, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the Consolidated Financial Statements.

Minority interest in the net assets of the consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made in the subsidiary company/s and further movements in their share in the equity, subsequent to the dates of investments. Minority interest also includes share application money received from minority shareholders. The losses in subsidiary/s attributable to the minority shareholder are recognised to the extent of their interest in the equity of the subsidiary/s.

Investment in an entity in which the Group has significant influence but not a controlling interest, is reported according to the equity method i.e. the investment is initially recorded at cost in accordance with Accounting Standard 23 "Accounting for Investments in associates in Consolidated Financial Statements". The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Company's share of net assets of the associate. The excess of cost of investment in associate, over the net assets at the date of acquisition of the investment in the associate is separately disclosed under non-current investments as Goodwill.

2.2 Basis for preparation of financial statements:

The Consolidated Financial Statements comprise the financial statements of Tech Mahindra Limited ('TechM' or 'the Company') and its subsidiaries (together referred as to as 'Tech Mahindra' or "the Group"). The consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value. These financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/ 2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and the other relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Group; and the accounting policies not referred to otherwise, are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP').

The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of TechM.

2.3 Use of Estimates:

The preparation of Consolidated financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the financial statements.

2.4 Tangible Fixed Assets and intangible assets:

Tangible fixed assets and intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction/installation stage.

2.5 Depreciation / amortisation of fixed assets:

(i) The Group computes depreciation of all tangible fixed assets including for assets taken on lease using the straight line method based on estimated useful life. Depreciation is charged on a pro rata basis for assets purchased or sold during the period. Management's estimate of the useful life of tangible and intangible assets is as follows

Buildings	28 years
Computers	2 to 5 years
Computers on Finance Lease	Lower of 5 years or lease period
Plant and Equipment	3 to 5 years
Furniture and fixtures	5 years
Furniture and Fixture on Finance Lease	Lower of 5 years or lease period
Vehicles	3 to 5 years
Office Equipments	3 to 20 years
Leasehold Improvements	Lower of lease period or expected occupancy

Depreciation is accelerated on fixed assets, based on their condition, usability etc, as per the technical estimates of the Management, where necessary.

Leasehold land is amortised over the period of lease.

Assets costing upto ₹ 5,000 are fully depreciated in the year of purchase.

The cost of software purchased for internal use is capitalized and depreciated in full in the month in which it is put to use.

Project specific intangible assets are amortised over their estimated useful lives on a straight line basis or over the period of the license, whichever is lower.

2.6 Leases:

Assets taken on lease by the group are accounted for as fixed assets in accordance with Accounting Standard 19 on "Leases", (AS 19).

(i) Finance lease:

Where the Group, as a lessor, leases assets under finance lease, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on constant rate of return on the outstanding net investment.

Assets taken on finance lease are accounted for as fixed assets at fair value. Lease payments are apportioned between finance charge and reduction of outstanding liability.

(ii) Operating lease:

Lease arrangements under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease rental under operating lease are recognised in the Statement of Profit and Loss on straight line basis.

2.7 Impairment of Assets:

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the net book value that would have been determined if no impairment loss had been recognised.

2.8 Investments:

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.9 Inventories:

Components and parts:

Components and parts are valued at lower of cost or net realizable value. Cost is determined on First-In-First Out basis.

Finished Goods:

Finished goods are valued at the lower of the cost or net realisable value. Cost is determined on First-In-First Out basis.

Projects in Progress/Work in Progress:

Hardware equipment and other items are carried at the lower of cost and net realisable value. Cost is determined on a specific identification basis. Cost includes material cost, freight and other incidental expenses incurred in bringing the inventory to the present location/condition.

2.10 Revenue recognition:

Revenue from software services and business process outsourcing services include revenue earned from services rendered on 'time and material' basis, time bound fixed price engagements and system integration projects.

All revenues from services, as rendered, are recognised when persuasive evidence of an arrangement exists, the sale price is fixed or determinable and collectability is reasonably assured and are reported net of sales incentives, discounts based on the terms of the contract and applicable indirect taxes.

The Group also performs time bound fixed price engagements, under which revenue is recognised using the proportionate completion method of accounting, unless work completed cannot be reasonably estimated. Provision for estimated losses, if any on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates and can be reasonably estimated.

The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the period in which the change becomes known.

Revenue from maintenance contracts is recognised over the period of the contract in accordance with its terms.

Revenue recognition is based on the terms and conditions as per the contracts entered into with the customers. In respect of expired contracts under renewal or where there are no contracts available, revenue is recognised based on the erstwhile contract/provisionally agreed terms and/or understanding with the customers.

Revenue is net of volume discounts/price incentives which are estimated and accounted for based on the terms of the contracts and excludes applicable indirect taxes.

Amounts received or billed in advance of services performed are recorded as advances from customers/unearned revenue.

Unbilled revenue represents amounts recognised based on services performed in advance of billing in accordance with contract terms and is net of estimated allowance for uncertainties and provision for estimated losses.

Liquidated damages and penalties are accounted as per the contract terms wherever there is a delayed delivery attributable to the Group and when there is a reasonable certainty with which the same can be estimated.

Revenues from the sale of software and hardware products are recognised upon delivery/ deemed delivery, which is when title passes to the customer, along with risk and rewards.

Reimbursement/recoveries from customers are separately identified as contractual receivables when no significant uncertainty as to measurability or collectability exists.

The Group recognizes unearned finance income as financing revenue over the lease term using the effective interest method.

Dividend income is recognised when the Group's right to receive dividend is established. Interest income is recognised on time proportion basis.

2.11 Government grants:

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of the depreciable asset by way of reduced depreciation charge. Grants in the nature of capital subsidy are treated as capital reserve based on receipt/eligibility.

Grants related to revenue are accounted for as other income in the period in which the related costs which they intend to compensate are accounted for to the extent there is no uncertainty in receiving the same. Incentives which are in the nature of subsidies given by the Government which are based on the performance, are recognised in the year of performance/eligibility in accordance with the related scheme.

Government grants in the form of non-monetary assets, given at a concessional rate, are accounted for at their acquisition costs.

2.12 Foreign currency transactions:

a) Foreign currency transactions and translations:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the period end rates. The exchange differences between the rate prevailing on the date of transaction and on the date of settlement/ translation of monetary items at the end of the period is recognised as income or expense, as the case may be.

Any premium or discount arising at the inception of the forward exchange contract is recognised as income or expense over the life of the contract, except in the case where the contract is designated as a cash flow hedge.

b) Derivative instruments and hedge accounting:

The Group uses foreign currency forward contracts/options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. Effective April 1st 2007, the Group designates some of these as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurements" (AS-30).

The use of foreign currency forward contracts/options is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Group's risk management strategy. The counter party to the Group's foreign currency forward contracts is generally a bank. The Group does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract/ option derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve (under Reserves and Surplus) and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

The accumulated gains /losses on the derivatives accounted in Hedging Reserve are transferred to Statement of Profit and Loss in the same period in which gains / losses on the item hedged are recognised in the Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. When hedge accounting is discontinued for a cash flow hedge, the net gain or loss will remain in Hedging Reserve and be reclassified to Statement of Profit and Loss in the same period or periods during which the formerly hedged transaction is reported in the Statement of Profit and Loss. If a hedged transaction is no longer expected to occur, the net cumulative gains / losses recognised in Hedging Reserve is transferred to Statement of Profit and Loss.

2.13 Foreign Operations:

The financial statements of integral foreign operations are translated as if the transactions of the foreign operations have been those of the Company itself. In translating the financial statements of a non-integral foreign operation, the assets and liabilities, both monetary and non-monetary are translated at the closing rate, income and expense items are translated at average exchange rates and all resulting exchange differences are accumulated in a foreign currency translation reserve until disposal of the net investment in the non-integral foreign operation

2.14 Employee Benefits:

a) Gratuity:

The Group accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method for TechM and its Indian subsidiaries.

Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

b) Provident fund:

The eligible employees of TechM and its Indian subsidiaries are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and TechM and its Indian subsidiaries make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Profit and Loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by TechM and its Indian subsidiaries.

The TechM and its Indian subsidiaries have no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

c) Superannuation and ESIC:

Superannuation fund and employees' state insurance scheme (ESI), which are defined contribution schemes, are charged to the Statement of Profit and Loss on accrual basis.

d) Compensated absences:

The Group provides for the encashment of leave subject to certain Group's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment.

The liability is provided based on the number of days of unavailed leave at each balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method for TechM and its Indian subsidiaries, whereas provision for encashment of unavailed leave on retirement is made on actual basis for foreign subsidiaries. TechM does not expect the difference on account of varying methods to be material.

Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

The Group also offers a short term benefit in the form of encashment of unavailed accumulated leave above certain limit for all of its employees and same is being provided for in the books at actual cost.

e) Other short term employee benefits:

Other short-term employee benefits, including overseas social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service

2.15 Borrowing costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Statement of Profit and Loss.

2.16 Taxation:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability is considered as an asset if there is convincing evidence that the Group will pay normal tax after the tax holiday period. Accordingly, it is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Group and the asset can be measured reliably.

Deferred tax assets and liabilities are recognised for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent years and are measured using relevant enacted tax rates. The carrying amount of deferred tax assets at each Balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.

Tax on distributed profits payable in accordance with the provisions of the Income Tax Act, 1961 is disclosed in accordance with the Guidance Note on Accounting for Corporate Dividend Tax issued by the Institute of Chartered Accountants of India (ICAI).

2.17 Employee Stock Option Plans:

Stock options granted to the employees are accounted as per the accounting treatment prescribed by the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 ("ESOP Guidelines") issued by Securities and Exchange Board of India ("SEBI") and the Guidance Note on Accounting for Employee Share-based Payments, issued by the ICAI. Employees eligible for Employee Stock Option Plan 2010 are granted an option to purchase shares of TechM at predetermined exercise price. The stock compensation cost is computed under the intrinsic value method and amortised on the accelerated basis over the vesting period.

2.18 Research and development:

Research costs are expensed as incurred. Development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use the asset and the costs can be measured reliably.

2.19 Earnings per share:

Basic earnings/ (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors.

For the purpose of calculating diluted earnings/ (loss) per share, the net profit/(loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

2.20 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognized when the group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

Note 3 : Share Capital	As at March 31, 2014		As at March 31, 2013	
	Number	**₹ Million**	Number	₹ Million
Authorised				
Equity Shares of ₹ 10 each	**619,100,000**	**6,191**	175,000,000	1,750
Issued, Subscribed & Paid up				
Equity Shares of ₹ 10 each (refer note 29)	**233,472,886**	**2,335**	128,119,023	1,281
	233,472,886	**2,335**	128,119,023	1,281

Disclosure pursuant Part I of Schedule VI to the Companies Act, 1956

Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	**₹ Million**	Number	₹ Million
Shares outstanding at the beginning of the year	**128,119,023**	**1,281**	127,486,541	1,275
Shares issued during the year	**1,868,467**	**19**	632,482	6
Share issued on account of amalgamation (refer note 29)	**103,485,396**	**1,035**	-	-
Shares outstanding at the end of the year	**233,472,886**	**2,335**	128,119,023	1,281

No. of shares held by each shareholder holding more than 5 percent equity shares of the Company are as follows:

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
Mahindra & Mahindra Limited	**60,676,252**	**25.99**	60,676,252	47.36
TML Benefit Trust	**24,000,000**	**10.28**	-	-
Life Insurance Corporation of India (through various schemes)	**5,370,475**	**2.30**	13,276,058	10.36

Refer note 52 for details relating to stock options.

The Company has only one class of shares referred to as equity shares having a par value of ₹10. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors in their meeting on 14th May, 2014 proposed a final dividend of ₹ 20 per equity share. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting.

₹ in Million

	As at March 31, 2014	As at March 31, 2013
Note 4: Reserves and Surplus		
- **Capital Reserve on Consolidation**		
Opening Balance	**55**	55
Add: Transfer due to amalgamation (pertaining to April 1, 2011 to March 31, 2013) (refer note 29)	**18**	-
Less : Adjustment due to Amalgamation (refer note 29)	**(55)**	-
Less : Transfer to General Reserve	**(1)**	-
Closing Balance	**17**	55
- **Securities Premium Account**		
Opening Balance	**2,828**	2,702
Add: Additions on account of Amalgamation as at April 1, 2011 (refer note 29)	**26,694**	-
Add: Transfer due to amalgamation (pertaining to April 1, 2011 to March 31, 2013) (refer note 29)	**220**	-
Less: Share issue expenses	**(122)**	-
Add : Received during the year from exercise of Stock Options	**468**	62
Add: Transfer from Share Options Outstanding Account	**170**	64
Less: Adjustment of Amalgamation Reserve (refer note 29)	**(2,489)**	-
Closing Balance	**27,769**	2,828
- **Debenture Redemption Reserve**		
Opening Balance	**5,338**	3,990
Add: Transfer from Surplus in Statement of Profit and Loss	**634**	1,348
Less: Transferred to Surplus in Statement of Profit and Loss	**(3,000)**	-
Closing Balance	**2,972**	5,338
- **Share Options Outstanding Account (refer note 52 and 2.17)**		
Opening Balance	**918**	482
Add: Additions on account of Amalgamation as at April 1, 2011 (refer note 29)	**530**	-
Add: Transfer due to amalgamation (pertaining to April 1, 2011 to March 31, 2013) (refer note 29)	**(399)**	-
Add :Amortised Amount of Stock Compensation Cost (net)	**1,312**	500
Less: Transfer to Securities Premium Account	**(170)**	(64)
Closing Balance	**2,191**	918
- **Amalgamation Reserve (refer note 29)**		
Opening Balance	**-**	-
Add : Arising on Amalgamation (net)	**2,489**	-
Less : Adjusted against Securities Premium Account	**(2,489)**	-
Closing Balance	**-**	-
- **Statutory Reserve (refer note 46)**		
Opening Balance	**3**	3
Add : Additions during the year	**-**	0
Closing Balance	**3**	3

₹ in Million

	As at March 31, 2014	As at March 31, 2013
Note 4: Reserves and Surplus (contd)		
- **Foreign Currency Translation Reserve (refer note 2.13)**		
Opening Balance	**104**	104
Add: Additions on account of Amalgamation as at April 1, 2011 (refer note 29)	**(21)**	-
Add: Transfer due to amalgamation (pertaining to April 1, 2011 to March 31, 2013) (refer note 29)	**128**	-
Add : Additions during the year (net)	**71**	-
Less: Transferred to Statement of Profit and Loss on account of disposal of Subsidiary (refer note 26.(x))	**(34)**	-
Closing Balance	**248**	104
- **General Reserve**		
Opening Balance	**6,451**	5,451
Add: Transfer due to amalgamation (pertaining to April 1, 2011 to March 31, 2013) (refer note 29)	**902**	-
Add: Transfer from Surplus in Statement of Profit and Loss	**5,000**	1,000
Add: Transfer from Capital Reserve	**1**	-
Closing Balance	**12,354**	6,451
- **Hedging Reserve (refer note 55)**		
Opening Balance	**(2,486)**	(3,535)
Add: Additions on account of Amalgamation as at April 1, 2011 (refer note 29)	**197**	-
Add: Transfer due to amalgamation (pertaining to April 1, 2011 to March 31, 2013) (refer note 29)	**(38)**	-
Add: Movement during the year (net)	**(3,231)**	1,049
Closing Balance	**(5,558)**	(2,486)
- **Surplus in Statement of Profit and Loss**		
Opening balance	**39,761**	29,982
Add: Additions on account of Amalgamation as at April 1, 2011 (refer note 29)	**(25,223)**	-
Less: Adjusted against Amalgamation Reserve (net) (refer note 29)	**2,811**	-
Add : Transfer due to Amalgamation (Opening Deficit in Statement of Profit or Loss net on Subsidiaries transferred on Amlagamation)	**(4,262)**	-
Add: Transfer due to amalgamation (pertaining to April 1, 2011 to March 31, 2013) (refer note 29)	**23,374**	-
Add : Reversal of provision on account of Amalgamation (refer note 29)	**64**	-
Less: Adjusted against Amalgamation Reserve (net) (refer note 29)	**(9,430)**	-
Add: Net Profit for the year	**30,288**	12,878
Add: Transfer from Debenture Redemption Reserve	**3,000**	-
Less: on Initial Adoption of AS-30	**(30)**	-
Add: Transfer on account of Unexercised Share Options	**2**	-
Less: Final Dividend (refer note 60)	**(1)**	(0)
Less: Proposed Final Dividend (refer note 3)	**(4,669)**	(641)
Less: Tax on Dividend (refer note 3)	**(794)**	(109)
Add: Reversal of dividend on account of amalgamation (refer note 29)	**186**	-

	As at March 31, 2014	As at March 31, 2013
		₹ in Million
Note 4: Reserves and Surplus (contd)		
Add: Reversal of Tax on Dividend on account of amalgamation (refer note 29)	**31**	-
Less: Transfer to Debenture Redemption Reserve	**(634)**	(1,348)
Less: Transfer to General Reserve	**(5,000)**	(1,000)
Closing Balance	**49,474**	39,761
	89,470	52,972
Note 5: Long-Term Borrowings		
Secured :		
- **Debentures**		
10.25% (Previous Year: 10.25%) Privately placed Non-Convertible Debentures (Due for redemption on 17th April 2014, at par)	**-**	3,000
(The above debentures are secured by pari passu charge over the immovable property located in Gujarat and Pune. Company has also deposited the title deeds of certain other immovable properties of the Company with the debenture trustees.)		
- **Finance Lease Obligations (refer note 49)**	**50**	-
Lease obligations are secured by the assets financed through the finance lease arrangements and are repayable in the equal monthly installments over a period of 1-5 years and carry a finance charge.		
Unsecured :		
- **Other Loans**	**140**	-
	190	3,000
Note 6: Other Long-Term Liabilities		
- Fair Values of Foreign Exchange Forward and Currency Option Contracts (net) (refer note 55)	**3,659**	2,071
- Security Deposits	**-**	5
- Unearned Revenue	**16**	-
- Contractual Obligation (refer note 26.(viii))	**-**	179
- Capital Creditors	**82**	-
	3,757	2,255
Note 7: Long-Term Provisions		
- Provision for Employee Benefits		
- Gratuity (refer note 47)	**1,993**	1,094
- Others	**2,145**	969
	4,138	2,063

	As at March 31, 2014	As at March 31, 2013
		₹ in Million
Note 8: Short-Term Borrowings		
Secured Loans from Bank:		
- Cash Credit *	-	544
- Export Packing Credit **	-	109
Unsecured Loans from Banks:		
- Loans Payable on Demand	188	508
- Export Packing Credit	-	4,143
* Cash credit is secured by charge over current assets, present and future, including receivables.		
** Secured by hypothecation of companies book debts and stock.		
Other Loans - Unsecured:	146	-
Inter-Corporate Deposits - Unsecured:		
- Inter Corporate Deposits from Related Parties (refer note 53)	-	2,500
	334	7,804
Note 9: Trade Payables		
- Trade Payables other than Accrued Salaries and Benefits (refer note 53)	9,471	5,522
- Accrued Salaries and Benefits	5,251	1,892
	14,722	7,414
Note 10: Other Current Liabilities		
- Current Maturities of Long Term Debt (Secured Debentures) (refer note 5)	3,000	3,000
- Current Maturities of Finance Lease Obligations (refer note 49), (for details of security, refer note 5)	42	-
- Current Maturities of Long Term Loans (Unsecured)	65	-
- Deferred Revenue (refer note 45)	1	1,708
- Contractual Obligation (refer note 26.(viii))	767	434
- Interest Accrued but not due on Borrowings	293	589
- Fair Values of Foreign Exchange Forward and Currency Option Contracts (net) (refer note 55)	2,394	431
- Capital Creditors	770	772
- Advance from Customers	1,277	524
- Unearned Revenue	1,405	117
- Unclaimed Dividends	37	6
- Security Deposits	-	5
- Statutory Remittances	2,278	767
- Others#	5,695	332
# Others mainly Include:		
Acquired on amalgamation:		
- Aberdeen UK Claims settlement consideration (including interest) payable ₹ **3,628 Million** (refer note 33)		
- Aberdeen US claim settlement consideration payable ₹ **648 Million** (refer note 32)		
- Class action suit settlement consideration payable ₹ **265 Million**		
Others:		
- Discounts payable to Customers ₹ **485 Million** (previous year ₹ 43 Million)		
	18,024	8,685

₹ in Million

	As at March 31, 2014	As at March 31, 2013
Note 11: Short-Term Provisions		
- Provision for Employee Benefits		
- Gratuity (refer note 47)	**390**	238
- Others	**1,131**	631
- Provision for Proposed Final Dividend (refer note 3)	**4,669**	641
- Provision for Tax on Dividend (refer note 3)	**794**	109
- Provision for Income Tax (net of Taxes paid) (refer note 35.3.(v) and 57)	**4,186**	1,546
- Provision for Claims and Warranties (refer note 58)	**258**	113
- Provision for Contingencies (refer note 59)	**1,241**	-
	12,669	3,278

Note 12: Fixed Assets

₹ in Million

	Gross Block								Accumulated Depreciation/Amortisation								Net Block	
	Cost as at April 01, 2013	Additions on Amalgamation (refer note 25)	Transfer on Amalgamation (refer note 29)	Acquisitions during the year (refer note 26.(xiv))	Additions during the year	Deletions during the year	Adjustments	Balance as at March 31, 2014	As at April 01, 2013	Additions on Amalgamation (refer note 25)	Transfer on Amalgamation (refer note 29)	Acquisitions during the year	For the year	Deductions during the year	Adjustments	Balance as at March 31, 2014	As at March 31, 2014	As at March 31, 2013
a Tangible Assets																		
Freehold Land	176	424	-	-	188	-	(0)	788	-	-	-	-	-	-	-	-	788	176
Leasehold Land	678	277	-	-	197	-	(0)	1,152	87	12	-	-	135	-	-	234	918	591
Buildings	5,357	6,145	-	-	2,003	-	0	13,505	1,642	1,131	-	-	506	0	0	3,279	10,226	3,715
Plant and Equipments	4,690	5,882	448	-	1,190	298	1	11,913	2,486	4,461	410	-	1,411	265	0	8,503	3,410	2,204
Furniture and Fixtures	2,221	2,362	106	1	537	251	4	4,980	1,513	1,810	93	-	495	223	4	3,692	1,288	708
Vehicles	62	189	6	-	26	42	-	241	46	178	6	-	21	40	(0)	211	30	16
Computers	4,113	4,237	488	1	1,971	742	7	10,075	3,275	3,865	412	-	1,040	727	7	7,872	2,203	838
Office Equipments	669	337	121	-	156	55	4	1,232	472	298	107	-	123	55	4	949	283	197
Leasehold Improvements	1,027	745	68	-	83	476	3	1,450	649	688	61	-	223	416	3	1,208	242	378
Taken on Finance Lease :																		
Plant and Equipments	-	167	-	-	-	-	-	167	-	167	-	-	-	-	-	167	-	-
Furniture & Fixtures	-	286	-	-	-	286	-	0	-	269	-	-	13	282	-	(0)	0	-
Vehicles	-	154	-	-	11	11	-	154	-	43	-	-	43	3	(0)	83	71	-
Total (a)	**18,993**	**21,205**	**1,237**	**2**	**6,362**	**2,161**	**19**	**45,657**	**10,170**	**12,922**	**1,089**	**-**	**4,010**	**2,011**	**18**	**26,198**	**19,459**	**8,823**
Previous year	14,247	-	-	1,850	3,288	392	-	18,993	7,518	-	-	1,291	1,738	377	-	10,170	8,823	-
b Intangible Assets																		
Goodwill	2	-	3	-	-	-	-	5	2	-	1	-	0	-	-	3	2	0
Intellectual Property Rights	83	-	-	-	-	-	-	83	83	-	-	-	-	-	-	83	-	-
Patents	32	-	47	-	-	-	5	84	32	-	-	-	-	-	-	32	52	0
Software (other than internally generated)	973	1,760	303	130	1,636	1,672	1	3,131	757	1,760	283	-	1,212	1,672	(0)	2,340	791	216
Total (b)	**1,090**	**1,760**	**353**	**130**	**1,636**	**1,672**	**6**	**3,303**	**874**	**1,760**	**284**	**-**	**1,212**	**1,672**	**(0)**	**2,458**	**845**	**216**
Previous year	224	-	-	671	292	97	-	1,090	161	-	-	544	262	93	-	874	216	-
Grand Total (a+b)	**20,083**	**22,965**	**1,590**	**132**	**7,998**	**3,833**	**25**	**48,960**	**11,044**	**14,682**	**1,373**	**-**	**5,222**	**3,683**	**18**	**28,656**	**20,304**	**9,039**
Previous year	14,471	-	-	2,521	3,580	489	-	20,083	7,679	-	-	1,835	2,000	470	-	11,044	9,039	-
c Capital Work-in-Progress																	2,662	343
Total																	**22,966**	**9,382**

Notes:

i) Depreciation includes accelerated/additional depreciation on certain assets amounting to ₹ 182 Million (previous year Nil).

ii) Gross Block of Buildings includes ₹ 38 Million (previous year Nil) the cost of building constructed on land taken on lease by the Company.

iii) In respect of certain freehold lands and buildings, the Company has received a provisional attachment order from the Income tax authorities which has since been stayed by orders passed by the Hon'ble High Court of Andhra Pradesh. (refer note 35.3.(iii))"

₹ in Million

		As at March 31, 2014	As at March 31, 2013
Note 13: Non-Current Investments			
(at cost, unless otherwise specified)			
(A)	**Trade**		
(a)	**In Subsidiaries - unquoted**		
	50,000 Equity Shares (previous year 50,000) of Tech Mahindra Foundation of ₹ 10 each fully paid up	**1**	1
-	**Investment acquired on Amalgamation (refer note 29)**		
	10,000 Equity Shares (previous year Nil) of Mahindra Educational Institution of ₹ 10 each fully paid up (refer note 27 (ii))	**0**	-
	Sub-total (a)	**1**	1
(b)	**Other Investments**		
-	**Unquoted**		
	In Equity Shares:		
	4,232,622 Ordinary Shares (previous year 4,232,622) of Servista Limited of GBP 0.002 each fully paid up	**1**	1
	In Preference Shares:		
	1,603,380 E1 Preference Shares (previous year 1,603,380) of Servista Limited of GBP 0.002 each fully paid up	**54**	54
	896,620 E2 Preference Shares (previous year 896,620) of Servista Limited of GBP 0.002 each fully paid up	**30**	30
		85	85
	Less: Provision for Diminution (refer note 41)	**(85)**	(85)
		-	-
-	**Quoted**		
	Nil (previous year 501,843,740) Equity Shares of Satyam Computer Services Limited of ₹ 2/- each, fully paid up # (refer note 29 and refer note (iii) below)	**-**	39,233
	# includes Goodwill of ₹ Nil (previous year ₹ 24,777 Million)		
-	**Investment acquired on Amalgamation (refer note 29)**		
	5,147,058 Equity Shares of Dion Global Solutions Limited of ₹ 10 each, fully paid up (refer note (iii) below)	**350**	-
	Less: Provision for Diminution (refer note 42)	**(243)**	-
		107	-
	Sub-total (b)	**107**	39,233
(c)	**Investment in entities which are liquidated/ dissolved**		
-	**Other investments - Unquoted**		
-	**Investment acquired on Amalgamation (refer note 29)**		

	As at March 31, 2014	As at March 31, 2013
		₹ in Million
Note 13: Non-Current Investments (contd)		
Cormed, Inc. (formerly known as Medbiquitous Services, Inc.) (refer note (i) below)	**16**	-
334,000 shares of 'A' Series preferred stock of USD 0.001 each, fully paid-up		
Less: Provision for diminution in value of investment	**(16)**	-
	-	-
Avabal, LLC. (formerly known as Avante Global, LLC.) (refer note (i) below)	**25**	-
577,917 class 'A' units representing a total value of USD 540,750		
Less: Provision for diminution in value of investment	**(25)**	-
	-	-
Sub-total (c)	**-**	**-**
Sub-total (A) (a+b+c)	**108**	39,234
(B) In Bonds and Trust Securities - unquoted		
Treasury Bonds and Bills (refer note (ii) below)	**15**	8
Investment TML Odd Lot Trust (refer note 29)	**0**	-
TML Benefit Trust	**0**	-
Interest in TML Benefit Trust (refer note 29)	**12,071**	-
National Savings Certificates, VIII Series	**0**	-
(Lodged as Security with Government Authorities)		
Sub-total (B)	**12,086**	8
Total (A+B)	**12,194**	39,242

Note :

i) These companies have been liquidated/ dissolved as per the laws of the respective countries. However, the Company is awaiting approval from the Reserve Bank of India for writing off the investments from the books of the Company. The outstanding amounts of investments in these companies have been fully provided.

ii) As per statutory requirements for overseas branches.

iii) Details of investments:

	As at March 31, 2014	As at March 31, 2013
		₹ in Million
Aggregate amount of Quoted Investments	**350**	39,233
Aggregate market value of quoted investment	**162**	64,437
Aggregate amount of Unquoted Investments	**12,213**	94
Aggregate amount of Provision for Diminution in Value of Investments	**369**	85

₹ in Million

	As at March 31, 2014	As at March 31, 2013
Note 14: Long-Term Loans and Advances		
(Unsecured, considered good unless otherwise stated)		
- Capital Advances		
Considered Good	**1,284**	136
Considered Doubtful	**8**	5
	1,292	141
Less: Provision	**8**	5
	1,284	136
- Security Deposits		
Considered Good	**1,302**	820
Considered Doubtful	**100**	16
	1,402	836
Less: Provision	**100**	16
	1,302	820
- Loans to Related Party (refer note 53)	**28**	-
- Advance Income Taxes (Net of provisions)	**4,094**	3,451
- Balance with Government Authorities		
Considered Good	**1,815**	371
Considered Doubtful	**62**	-
	1,877	371
Less: Provision	**62**	-
	1,815	371
- Prepaid Expenses	**597**	483
- Others		
Considered Good	**17**	119
Considered Doubtful	**267**	26
	284	145
Less: Provision	**267**	26
	17	119
	9,137	5,380
Note 15: Other Non-Current Assets		
- Trade Receivables (Unsecured)		
Considered Good	**-**	-
Considered Doubtful	**3,604**	151
	3,604	151
Less: Provision	**3,604**	151
	-	-
- Lease Receivable		
Considered Good	**-**	10
Considered Doubtful (refer note 50)	**231**	231
	231	241
Less : Provision (refer note 50)	**231**	231
	-	10
- Margin Money Deposits having maturities of more than 12 months from the Balance Sheet date	**143**	-
- Interest Receivable		
- Interest accrued on Bank Deposits	**14**	-
- Others	**0**	-
	157	10

₹ in Million

	As at March 31, 2014	As at March 31, 2013
Note 16: Current Investments		
- **Investment acquired on Amalgamation (refer note 29)**		
- **Current portion of Long Term Investment - unquoted**		
833,333 Shares of USD 0.20 each of Upaid Systems Limited fully paid-up #	**109**	-
Less: Provision for Diminution in value of Investment	**109**	-
	-	-
- **Investment in Mutual Funds - unquoted**		
(at cost or fair value whichever is lower)		
10,000,000 (previous year: Nil) units of ₹ 10.0000 (previous year: ₹ Nil) each fully paid up of Birla Sun Life Cash Plus- Fixed Term Plan-Series KJ - Direct	**100**	-
10,000,000 (previous year: Nil) units of ₹ 10.0000 (previous year: ₹ Nil) each fully paid up of Reliance Fixed Horizon Fund - XXV - Series 27 - Direct Plan Growth Plan	**100**	-
10,000,000 (previous year: Nil) units of ₹ 10.0000 (previous year: ₹ Nil) each fully paid up of Tata Fixed Maturity Plan Series 46 Scheme N - Direct Plan - Growth	**100**	-
10,000,000 (previous year: Nil) units of ₹ 10.0000 (previous year: ₹ Nil) each fully paid up of ICICI Prudential FMP Series 73 - 407 days Plan C Direct Plan	**100**	-
58,659.56 (previous year: Nil) units of ₹ 2366.8158 (previous year: ₹ Nil) each fully paid up of Tata Liquid Fund Direct Plan Daily Dividend - Growth	**139**	-
64,183.15 (previous year: Nil) units of ₹ 1435.6465 (previous year: ₹ Nil) each fully paid up of UTI Money Market Fund Direct Plan - Growth	**92**	-
2,477,322.13 (previous year: Nil) units of ₹ 189.6602 (previous year: ₹ Nil) each fully paid up of ICICI Prudential Liquid - Direct Plan - Growth	**470**	-
3,605,548.12 (previous year: Nil) units of ₹ 205.4979 (previous year: ₹ Nil) each fully paid up of Birla Sun Life Cash Plus - Direct Plan -Growth	**741**	-
177,037.65 (previous year: Nil) units of ₹ 3123.6682 (previous year: ₹ Nil) each fully paid up of Reliance Liquid Fund - Treasury Plan - Direct - Growth	**553**	-
40,315.581 (previous year: Nil) units of ₹ 1736.3014 (previous year: ₹ Nil) each fully paid up of UTI Treasury advantage fund - Institutational plan - Growth	**70**	-
40,870.064 (previous year: Nil) units of ₹ 1470.6246 (Previous year: ₹ Nil) each fully paid up of Baroda Pioneer Liquid Fund plan A - Daily Dividend -Reinvestment	**60**	-
Nil (previous year: 9,600,877.241) units of ₹ Nil (previous year: ₹ 100.2837) each fully paid up of Birla Sun life Cash Plus Daily Dividend - Direct Plan	**-**	962

₹ in Million

	As at March 31, 2014	As at March 31, 2013
Note 16: Current Investments (contd)		
Nil (previous year: 6,690,314.129) units of ₹ Nil (previous year: ₹ 100.0947) each fully paid up of ICICI Prudential Liquid - Direct Plan - Daily Dividend	**-**	670
Nil (previous year 35,296.315) units of ₹ Nil (previous year ₹ 1,918.0083) each fully paid up of UTI Liquid Cash Plan IP - Growth	**-**	68
Nil (previous year 23,545.070) of Nil (previous year ₹ 1,914.1184) each fully paid up of UTI Liquid Cash Plan Institutional Direct Plan - Growth	**-**	45
Nil (previous year 159.256) units of Nil (previous year ₹ 100.2837) each fully paid up of Birla Sun life Cash Plus Daily Dividend - Regular Plan	**-**	0
Nil (previous year 144.151) units of Nil (previous year ₹ 100.0942) each fully paid up ICICI Prudential Liquid - Regular Plan-Daily Dividend	**-**	0
	2,525	1,745

	As at March 31, 2014	As at March 31, 2013
Aggregate amount of Quoted Investments	**-**	-
Aggregate Amount of Unquoted Investments	**2,634**	1,745
Aggregate amount of Provision for Diminution in value of Investments	**109**	-

In terms of the Settlement Agreement with Upaid, the Company has exchanged shares it holds in Upaid for consideration received and awaits approval from Reserve Bank of India for adjusting the same against the cost of investment.

	As at March 31, 2014	As at March 31, 2013
Note 17: Inventories		
- Others		
Stock of IT equipments and purchased software	**98**	110
	98	110
Note 18: Trade Receivables		
- Trade Receivables (Unsecured) #		
Over Six Months		
Considered Good*	**2,608**	1,128
Considered Doubtful (refer note 50)	**2,722**	659
Others		
Considered Good**	**40,879**	15,907
Considered Doubtful	**637**	11
	46,847	17,705
Less: Provision for Doubtful Receivables (refer note 50)	**3,361**	669
	43,486	17,036

refer note 53

* Net of advances aggregating to ₹ **1,234** (previous year: ₹ 653 Million) pending adjustments with invoices

** Net of advances aggregating to ₹ **1,527** (previous year: ₹ 939 Million) pending adjustments with invoices

₹ in Million

	As at March 31, 2014	As at March 31, 2013
Note 19: Cash and Bank Balances		
- Cash and Cash Equivalents		
Cash on Hand	**2**	-
Funds in Transit	**87**	-
Balances with Banks		
In Current Accounts	**14,182**	5,060
In Deposit Accounts (refer note 1 below)	**14,174**	292
Sub-total (a)	**28,445**	5,352
- Other Bank Balances		
Earmarked Balances with Banks		
Unclaimed Dividend	**37**	6
Balances held as Margin Money/Security towards obtaining Bank Guarantees (refer note 2 below)	**4,543**	-
Balance held under Escrow Account	**177**	-
Sub-total (b)	**4,757**	6
Total (a+b)	**33,202**	5,358

Notes :

1. Balances in deposit accounts includes certain fixed deposits of the Company aggregating ₹ 8,220 Million which were provisionally attached vide Order dated October 18, 2012 by the Directorate of Enforcement (ED) ("the Order"). The Hon'ble High court of Andhra Pradesh (" the Court") has, pending further orders, granted stay of the said Order and all proceedings thereto vide its order dated December 11, 2012. The ED has challenged the interim order passed by the Single Judge before the Division Bench of the Court which is pending disposal. The ED has also filed a miscellaneous petition before the Court on June 3, 2013 to direct the banks with whom fixed deposits are held, not to allow the erstwhile Satyam to redeem/ pre-close the said Fixed Deposits pending disposal of the Writ Appeal. The petition is pending hearing (refer note 31.3)
2. Balances held as margin money/ security towards obtaining bank guarantees includes certain fixed deposits of the Company aggregating ₹ 4,320 Million which have been kept as margin money/ security towards obtaining the bank guarantee towards president of India through the Assistant Commissioner of the Income tax, Mumbai (refer note 35.3.(iii))

₹ in Million

	As at March 31, 2014	As at March 31, 2013
Note 20: Short-Term Loans and Advances		
(Unsecured, considered good unless otherwise stated)		
- Advances to Related Parties (refer note 53)	**-**	201
- Loans and Advances to Employees		
Considered Good	**877**	396
Considered Doubtful	**104**	-
	981	396
Less: Provision	**104**	-
	877	396
- MAT Credit Entitlement	**179**	5
- Balance with Government Authorities	**5,834**	2,324
- Security Deposits	**155**	-
- Lease Receivable	**-**	15
- Prepaid Expenses	**2,064**	767
- Others#		
Considered Good	**5,435**	579
Considered Doubtful	**177**	107
	5,612	686
Less : Provision	**177**	107
	5,435	579
# Others mainly include		
- Amount deposited and held in escrow account ₹ **3,628 Million** (USD 68.16 Million) towards Aberdeen UK settlement consideration and interest. (refer note 33)		
- Includes amount deposited and held in escrow account ₹ **648 Million** (USD 12 Million) towards Aberdeen US claims settlement consideration. (refer note 32)		
- Includes amount deposited and held in initial escrow account ₹ **265 Million** towards class action settlement consideration.		
	14,544	4,287
Note 21: Other Current Assets		
(Unsecured, considered good unless otherwise stated)		
- Unbilled Revenue (net of provision of ₹ 16 Million (previous year Nil))	**10,709**	2,376
- Interest accrued on Deposits	**611**	0
- Contractually Reimbursable Expenses		
Considered Good	**297**	-
Considered Doubtful	**47**	-
	344	-
Less : Provision	**47**	-
	297	-
	11,617	2,376

	Year Ended March 31, 2014	Year Ended March 31, 2013
	₹ in Million	
Note 22: Other Income (net)		
- Interest on:		
Deposit with Banks	**2,023**	29
Others	**22**	17
	2,045	46
- Foreign Exchange Gain/(Loss) (net)	**(2,007)**	(1,189)
- Rent Income	**25**	31
- Dividend Income on Current Investments	**156**	49
- Profit on Sale of Current Investments	**-**	0
- Sundry Balances Written Back	**477**	187
- Provision of non-current investments no longer required (refer note 26.(x))	**86**	-
- Miscellaneous Income	**348**	129
	1,130	(747)
Note 23: Employee Benefits Expense		
- Salaries and Incentives	**90,910**	33,502
- Contribution to Provident and Other Funds (refer note 47)	**4,236**	1,962
- Gratuity (refer note 47)	**135**	226
- Employee Stock Compensation Cost (net) (refer note 52)	**1,312**	500
- Staff Welfare Expenses	**762**	530
	97,355	36,720
Note 24: Operating and Other Expenses		
- Power and Fuel	**1,488**	704
- Rent	**2,449**	1,385
- Rates and Taxes	**365**	110
- Communication Expenses	**1,724**	895
- Travelling Expenses	**7,981**	2,727
- Recruitment Expenses	**444**	123
- Training	**248**	131
- Hire Charges	**1,032**	557
- Professional and Legal Fees (refer note 48)	**1,588**	730
- Repairs and Maintenance :		
Buildings (Including Leased Premises)	**217**	120
Machinery and Computers	**1,443**	403
Others	**349**	127
	2,009	650
- Insurance	**2,041**	855
- Software, Hardware and Project Specific Expenses	**5,613**	1,226

₹ in Million

		Year Ended March 31, 2014	Year Ended March 31, 2013
Note 24: Operating and Other Expenses (contd)			
-	Claims and Warranties (Net) (refer note 58)	**136**	3
-	Advertising, Marketing and Selling Expenses	**1,174**	265
-	General Office Expenses	**1,262**	464
-	(Profit) / Loss on Sale of Fixed Assets (Net)	**(113)**	(20)
-	Provision of Impairment in Investment of Current Investment	**-**	(0)
-	Provision for Impairment in Non-Current Investment (refer note 42)	**243**	-
-	Provision for Doubtful Receivables, Unbilled Revenue and Bad Debts written off		
	Provided during the year	**2,534**	99
	Bad Debts written off	**321**	16
	Less: Provision reversed during the year	**(1,644)**	-
		1,211	116
-	Provision for Doubtful Advances, Deposits and Advances written off		
	Provided during the year	**248**	29
	Advances written off	**190**	13
	Less: Provision reversed during the year	**(193)**	-
		245	42
-	Cash Discount	**290**	-
-	Donations	**351**	99
-	Miscellaneous Expenses	**226**	93
		32,007	11,154
Note 25: Finance Costs			
-	Interest Expense:		
	On Debentures and Long Term Loans	**320**	615
	On Short Term Loans and Cash Credit	**57**	92
	On Inter-Corporate Deposits	**-**	161
	Others #	**324**	5
		701	873
-	Foreign Currency Translations	**98**	157
		799	1,030

Current year charge includes interest on taxes ₹ **124 Million.**

26. Particulars of Consolidation

The consolidated financial statements present the consolidated accounts of the Group, which consists of accounts of TechM and its following subsidiaries

Name of Company	Country of Incorporation	Holding (%) as on March 31, 2014
Satyam Computer Services Limited	India	note (i) below
CanvasM Technologies Limited	India	note (i) below
Venturbay Consultants Private Limited	India	note (i) below
Mahindra Logisoft Business Solutions Limited	India	note (i) below
C&S System Technologies Private Limited	India	note (i) below
Tech Mahindra (Americas) Inc. (TMA) and its following subsidiary • Tech Talenta Inc. (TTI) (refer note (ii) below) • Tech Mahindra IPR Inc. (refer note (iii) below)	United States of America United States of America United States of America	100% 100% 100%
CanvasM (Americas) Inc. (CAI)	United States of America	note (iv) below
Tech Mahindra GmbH (TMGMBH)	Germany	100%
Tech Mahindra (Singapore) Pte. Ltd. (TMSL)	Singapore	100%
Tech Mahindra (Thailand) Limited (TMTL) (refer note (v) below)	Thailand	100%
PT Tech Mahindra Indonesia (TMI)	Indonesia	100%
Tech Mahindra (Malaysia) Sdn. Bhd (TMM)	Malaysia	100%
Tech Mahindra (Beijing) IT Services Limited (TMB) (refer note (vi) below)	China	100%
Tech Mahindra (Nigeria) Limited (TMNL)	Nigeria	100%
Tech Mahindra (Bahrain) Limited S.P.C. (TMBL)	Bahrain	100%
Tech Mahindra Business Services Limited (formerly Hutchison Global Services Private Limited) (refer note (vii) below)	India	100%
Comviva Technologies Limited (Comviva) and its following 100% subsidiaries (refer note (viii) below) • Comviva Technologies Inc. • Comviva Technologies Nigeria Limited • Comviva Technologies Singapore Pte. Ltd. • Comviva Technologies FZ-LLC	India United States of America Nigeria Singapore UAE	67.12% 67.12% 67.12% 67.12% 67.12%
Tech Mahindra South Africa (Pty) Limited (TMSAPL) (refer note (ix) below)	South Africa	51%
Bridge Strategy Group LLC (refer Note(x) below)	United States of America	-
Knowledge Dynamics Pte. Ltd.	Singapore	note (xi) below
Citisoft Plc. and its following 100% subsidiary • Citisoft Inc.	United Kingdom United States of America	100% 100%
Tech Mahindra Servicos De Informatica LTDA (formerly Satyam Servicos De Informatica LTDA) and its following subsidiaries (refer note (xii) below) • Mahindra Satyam Servicos De Informática Sociedad Anónima Cerrada (refer note (xiii) below) • Mahindra Satyam Servicios De Informática S.R.L. (refer note (xiii) below) • Satyam Colombia Servicios De Informática SAS (refer note (xiii) below) • Complex IT Solutions Consultoria EM Informatica S.A. (refer note (xiv) below)	Brazil Peru Argentina Columbia Brazil	100% 100% 100% 100% 51%

Name of Company	Country of Incorporation	Holding (%) as on March 31, 2014
New vC Services Private Limited and its following 100% subsidiary	India	100%
• vCustomer Philippines, Inc. and its following 100% subsidiary	Philippines	100%
• vCustomer Philippines (Cebu), Inc.	Philippines	100%
vCustomer Services LLC	United States of America	100%
Nitor Global Solutions Limited (refer note (xvi) below)	United Kingdom	-
Tech Mahindra BPO Limited (formerly Satyam BPO Limited)	India	100%
Satyam Computer Services (Egypt) S.A.E.(refer note (xv) below)	Egypt	100%
Satyam Computer Services (Nanjing) Co. Ltd (refer note (xvii) below)	China	100%
Satyam Computer Services (Shanghai) Co. Limited	China	100%
Satyam Computer Services Belgium BVBA	Belgium	100%
Satyam Computer Services De Mexico S.DE.R.L.DE.C.V (refer note (xviii) below)	Mexico	100%
Tech Mahindra Technologies Inc. (formerly Satyam Technologies Inc.)	United States of America	100%
Satyam Venture Engineering Services Private Limited (refer note (xix) and (xx) below) and its following 100% subsidiaries	India	50%
• Satyam Venture Engineering Services (Shanghai) Co. Limited (refer note (xxi) below)	China	50%
• Satyam Venture Engineering Services UK Limited (refer note (xxi) below)	United Kingdom	-
Tech Mahindra ICT Services (Malaysia) SDN. BHD. (refer note (xxii) below)	Malaysia	100%
Global ICT Investment Holdings Pte. Ltd. (Global ICT) (Joint Venture between - SBI Hong Kong Holdings Co. Limited and erstwhile Satyam computer Services Limited) (refer note (xxiii) below)	Singapore	50%

Notes:

i. Merged with TechM (refer note 29)

ii. During the year ended March 31, 2013, TMA has infused share capital of USD 0.50 Million into TTI.

iii. During the year ended March 31, 2014, Tech Mahindra Americas Inc. has incorporated a new 100% subsidiary, Tech Mahindra IPR Inc. which has not yet commenced its operations as of March 31, 2014.

iv. CanvasM (Americas) Inc. a wholly owned subsidiary of CanvasM Technologies Limited (wholly owned subsidiary of TechM) have been amalgamated with Tech Mahindra (Americas) Inc. (wholly owned subsidiary of TechM) with effect from September 1, 2012 in terms of the scheme of amalgamation ('scheme') sanctioned by the respective states of USA in August 2012. Accordingly the above stated subsidiary stands dissolved without winding up and all assets and liabilities have been transferred to and vested with Tech Mahindra (Americas) Inc. with effect from September 1, 2012, the appointed date.

v. During the year ended March 31, 2014, TechM has invested an additional amount of ₹ 2 Million in the equity of its 100 % subsidiary company Tech Mahindra (Thailand) Limited.

vi. During the year ended March 31, 2013, TechM has invested an additional amount of ₹ 1 Million in the equity of its 100 % subsidiary company Tech Mahindra (Beijing) IT Services Limited.

vii. On September 4, 2012, the Company acquired 100% stake in equity of Tech Mahindra Business Services

Limited (TMBSL) (formerly known as Hutchison Global Services Limited), a provider of customer lifecycle operations to clients in UK, Ireland and Australia for USD 87.10 Million (₹ 4,851 Million), paid up-front and from the said date, TMBSL became a wholly owned subsidiary of the Company. The Company had incurred expenditure of ₹ 22 Million on acquisition of the said equity shares in TMBSL and the same has been added to the cost of investment. Further in September 2012, the Company has infused an additional amount of ₹ 0.40 Million in the equity of TMBSL.

Further during the year ended March 31, 2014, TMBSL issued bonus shares and the company were allotted 950,000 fully paid up equity shares of ₹ 10 each (in the ratio of 1:19).

viii. On December 13, 2012, the Company acquired 47.02% stake in Comviva (a global leader in providing mobile Value Added Services) by making an upfront payment of ₹ 1,249 Million (out of total consideration not exceeding 2,600 Million) for purchase of 6,676,826 Equity Shares of ₹ 10 each (47.02 % of the then equity share capital) and 5,492,832 Series A - 0.001% Fully Convertible and Non-Cumulative Preference Shares ("Preference Shares") of ₹ 10 each. On the same day, 4 nominees of the Company were appointed as Directors on the Board of Comviva and thus Comviva became a subsidiary of the Company w.e.f December 13, 2012 by virtue of management control. Effective March 5, 2013, 5,492,832 Preference Shares which were held by the Company, were converted in equivalent number of Equity Shares.

- On March 13, 2013, as per the Share Purchase Agreement, the Company announced an open offer to certain category of equity shareholders of Comviva who were holding 2,534,575 fully paid-up equity shares, at a maximum aggregate price of ₹ 238.90 per share. As per the open offer, Company shall make a payment of ₹ 102.67 per share as upfront payment, ₹ 35.62 per share payable in FY 2013-14 and ₹ 14.67 per share payable in April 2014. The balance amount of ₹ 85.94 per share shall be paid during the period April 2014 to October 2017, based on Comviva achieving mutually agreed performance target. Against this open offer 13 shareholders holding 1,885,548 shares accepted and transferred its equity shares in the name of the Company as of March 31, 2014. On May 29, 2013 the Company announced an alternate open offer to the earlier offer (announced on March 13, 2013). In the alternate offer the maximum aggregate price is ₹ 230.26 per share out of which ₹ 102.67 per share is upfront payment, ₹ 14.67 per share payable in April 2014 as committed payment and balance payment will be payable till April 2014 based on Comviva achieving mutually agreed performance target. Against this alternate offer, 28 shareholders holding 619,882 shares accepted and transferred its equity shares in the name of Company.
- Further, the Company had accounted for a liability of ₹ 179 Million for the "Guaranteed Amount" payable in April 2014 and a liability for Earn out payment of ₹ 434 Million, on achievement of performance target for 2012-13, payable in FY 2013-14. During the year ended March 31, 2014, the Company made the payment of ₹ 414 Million against the Earnout accrual and reversed the excess accrual of ₹ 20 Million.
- As per the share purchase agreement, the Company has accrued liability amounting to ₹ 551.85 Million for Earnout – 2 on achievement of mutually agreed performance target and added to the cost in investment.

As at March 31, 2014, the Company holds 67.12 % of the equity share capital of Comviva.

ix. On December 5, 2012, TechM entered into a Share Purchase Agreement for acquiring 51% stake in equity of Next Level Technologies (Proprietary) Limited ("Next Level"), a private company registered in South Africa engaged in Information, Communication and Technology business for a consideration of ₹ 0.0003 Million. On March 20, 2013, the consideration of ₹ 0.0003 Million was paid to the existing shareholders and the equity shares were transferred in the name of Tech Mahindra Limited. Accordingly, Next Level became a subsidiary of TechM effective March 20, 2013.

Further, the name of Next Level has been changed to Tech Mahindra South Africa (Pty) Limited.

x. Erstwhile Satyam in April 2008, through a definitive purchase agreement, purchased 100% of the membership interests of Bridge Strategy Group, LLC ('Bridge'), a Chicago based strategy and general management consulting firm and a Limited Liability Company (limited by Membership Interest) for a total cash consideration of USD 35 Million (₹ 1,439 Million) and subsequently infused USD 12 Million (₹ 558 Million) in the said entity. The said investments of ₹ 1,997 Million were fully provided for in the books of account.

   Subsequently in the current year ended March 31, 2014, the company through the agreement dated October 18, 2013, sold its 100% membership interests of Bridge and accordingly accounting treatment has been given in the books for the disposal (refer note no. 22).

xi. Knowledge Dynamics Pte. Ltd (KDPL), a 100% subsidiary of erstwhile Satyam had applied for voluntary liquidation during the previous years, as per regulations applicable in the respective country (Singapore). Knowledge Dynamics Pte. Ltd has been liquidated/dissolved as per the laws of Singapore in the year ending March 31, 2013 and the carrying amount has been repatriated. During the quarter ended September 30, 2013 approval from Reserve bank of India (RBI) has been received and accordingly the amount of investments and payables has been adjusted against each other. Post these adjustments; there are no amounts outstanding pertaining to Knowledge Dynamics Pte. Ltd as of March 31, 2014.

xii. During the year ended March 31, 2014, TechM has invested an additional amount of ₹ 489 Million in the equity of its 100 % subsidiary company Tech Mahindra Servicos De Informatica LTDA.

xiii. In the year ending March 31, 2013, Satyam Servicos De Informatica LTDA incorporated three new 100 % subsidiaries in Argentina (Mahindra Satyam Servicios DE Informatica S.R.L.), in Peru (Mahindra Satyam Servicios DE Informatica Sociedad Anonima Cerrada) and in Columbia (Satyam Colombia Servicios DE Informatica SAS).

   During the Year ended March 31, 2014 investment has been made and operation has been started in Satyam Colombia Servicios DE Informatica SAS whereas no investment / no operation started in subsidiaries incorporated in Argentina and Peru as at March 31, 2014.

xiv. On February 15, 2013, erstwhile Satyam entered into a joint venture agreement with Complex IT Services Constultoria EM Informatica LTDA for purchase of 51% stake in Complex IT Solutions Consultoria EM Informatica S.A. ("Complex Solutions") for a total cash consideration of up to USD 23 Million, comprising an upfront consideration of USD 6.50 Million paid in May 2013 and a contingent consideration of up to USD 16.50 Million (equivalent to ₹ 989 Million) payable during FY 2014-15.

xv. This entity has applied for voluntary liquidation during the year ended March 31, 2012 as per regulations applicable in the respective countries. However, pending such liquidation, the subsidiary has been considered for the purpose of consolidation.

xvi. Nitor Global Solutions Limited ("Nitor"), a 100% subsidiary of erstwhile Satyam, had applied for voluntary liquidation during the year ended March 31, 2012 as per regulations applicable in the respective country. The Company, during the year ended March 31, 2014, received GBP 0.1 Million (₹ 5 Million) from the said liquidator towards part distributions to the equity shareholders. Further, the Company has been dissolved and name has been struck-off from registrar of companies w.e.f. January 20, 2014. The Company has filed an application with RBI and the company is awaiting approval from RBI for writing off the investments from the books of account.

xvii. During the year ended March 31, 2014, TechM has invested an additional amount of ₹ 41 Million in the equity of its 100 % subsidiary company Satyam Computer Services (Nanjing) Co. Limited.

xviii. Erstwhile Satyam during the year ended March 31, 2009, has incorporated a 100% subsidiary in Mexico (Satyam Computer Services De Mexico S.DE.R.L.DE C.V). However, no investment has been made by TechM in the subsidiary as at March 31, 2014 nor has commenced its operations

xix. It is a joint venture between erstwhile Satyam Computer Services Limited & Venture Global Engineering LLC. This is subsidiary through Board Control.

xx. As stated in Note 37, erstwhile Satyam has, based on legal advice treated its investments in subsidiary only with effect from June 26, 2008 being the date of appointment of nominee directors of erstwhile Satyam on the Board of Satyam Venture Engineering Services Private Limited ("SVES").

xxi. Satyam Venture Engineering Services (Shanghai) Co. Limited, was incorporated by SVES on May 15, 2012.

On May 28, 2012, SVES incorporated a new subsidiary (step-down subsidiary of SVES) in United Kingdom (Satyam Venture Engineering Services UK Limited). No investment was made in this step-down subsidiary. This said entity has been dissolved on January 7, 2014 and the name has been struck-off from the register of the Companies in United Kingdom.

xxii. During the year ended March 31, 2014, the company has incorporated a new subsidiary in Malaysia namely Tech Mahindra ICT Services (Malaysia) SDN. BHD (TechM Malaysia ICT) and infused equity share capital of MYR 0.64 Million (₹ 12 Million) in the said entity, by which TechM Malaysia ICT became a wholly owned subsidiary of the company.

xxiii. In September 2012, erstwhile Satyam had entered into a Subscription and Shareholders' agreement with SBI Hong Kong Holdings Co. Limited to set up a Joint Venture in Singapore with an investment of USD 25 Million (₹ 1,498 Million) to invest in promising companies in the information and communication technology sector, which was subject to RBI Approval. Post receipt of the RBI approval, the joint venture company was formed as Global ICT Investment Holdings Pte. Ltd (Global ICT) in Singapore in September 2013. Global ICT is a 50:50 joint venture between SBI Hong Kong Holdings Co. Limited and the company. As of March 31, 2014, there is neither capital infused in Global ICT by either of the joint venturers nor Global ICT has commenced its operations.

27. Following parties have not been considered for consolidation

Name of Company	**Country of Incorporation**	**Extent of Holding (%) as on March 31, 2014**
Tech Mahindra Foundation (refer note (i) below)	India	100%
Mahindra Educational Institutions (refer note (ii) below)	India	100%
Mahindra Satyam Foundation Trust (formerly Satyam Foundation Trust)	India	100%
Satyam Associates Trust	India	100%
TML Benefit Trust	India	100%
TML Odd Lot Trust	India	100%

i. TechM has an investment in a subsidiary viz. Tech Mahindra Foundation (TMF). TMF has been incorporated primarily for charitable purposes. TMF is not consolidated as a subsidiary as it can apply its income for charitable objects only and cannot pay dividend or transfer funds to its parent.

ii. On April 9, 2013, erstwhile Satyam incorporated Mahindra Educational Institutions under Section 25 of the Companies Act to promote education and research in different disciplines. Mahindra Educational Institution though controlled by TechM, is not considered for the purpose of consolidation since, in the opinion of the Management, the objective of control over such entities is not to obtain economic benefits from their activities.

28. Following subsidiaries are not considered for consolidation as they are closed in their respective countries and only RBI approval for the same is awaited

Name of Company	Country of Incorporation
Satyam (Europe) Limited	UK
Vision Compass Inc.	USA

29. 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 has issued 2 equity shares of ₹ 10 each fully paid up in respect of every 17 equity shares of ₹ 2 each in the equity share capital of Satyam, aggregating 103 Million equity shares.

The Company transferred, out of its total holding in Satyam as on April 1, 2011, 204 Million 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.

29.1 General nature of business of the amalgamating companies:

- Satyam is leading information, communications and technology (ICT) company providing a range of business consulting, information technology and communication services to companies across multiple industries and geographies.
- Venturbay is engaged in providing programming and software solutions, information technology, networking and consultancy services.
- CanvasM is engaged in the business of information technology (IT) and software services relating to developing, improving, designing, assembling, marketing, and allied activities including dealing in all types of computer programming, system software, data processing and warehousing, data base management systems and interactive multimedia and peripheral products.
- Logisoft is engaged in the business of information technology services relating to design and development of dealership management systems and IT software services.
- C&S is engaged in the business of providing information technology (IT) and software services relating to solutions and consultation in the space of learning management, communications and collaborations management, document and workflow management, eSecurity, identity, access and building management, managed services, etc.

The amalgamating companies operating in specialized domains of the information technology as indicated above, amalgamating the business in a single entity provides for consolidating the information technology business bringing in synergy benefits, enhanced depth and breadth of capabilities, attain efficiencies and reduce overall cost.

29.2 Accounting treatment of the amalgamation

The amalgamation is accounted under the 'pooling of interest' method as per Accounting Standard 14 as notified under Section 211(3C) of the Companies Act, 1956 and as modified under the Scheme as under:

- All assets and liabilities (including contingent liabilities), reserves, benefits under income tax, benefits for and under special economic zone registrations, duties and obligations of Satyam, Venturbay, CanvasM, Logisoft and C&S have been recorded in the books of account of the Company at their existing carrying amounts and in the same form.
- The amount of Share Capital of Venturbay, CanvasM, Logisoft, Satyam and C&S have been adjusted against the corresponding investment balances held by the Company in the amalgamating companies and the equity shares issued by the Company pursuant to the Scheme and the excess of investments (gross) over the Share Capital, as given below, have been adjusted to reserves ("Amalgamation Reserve").
- Accordingly, the amalgamation has resulted in transfer of assets and liabilities in accordance with the terms of the Scheme at the following summarised values:

(₹ **in Million**)

Particulars	**Amount**
Fixed Assets (net)	**8,493**
Capital Work in Progress	**2,252**
Non-Current Investments	**32,525**
Deferred Tax Asset	**1,681**
Current Investments	**-**
Trade Receivables	**16,934**
Cash and cash equivalents	**21,004**
Other cash and bank balances	**6,400**
Loans and Advances (long term and short term)	**20,920**
Liabilities and provisions (long term and short term)	**(37,025)**
Long-Term and Short-Term Borrowings	**(215)**
Net Assets	**72,969**
Net difference between Investments and share capital of amalgamating companies	**(1,357)**
Add: Equity shares issued pursuant to the scheme of amalgamation	**1,035**
Debit balance in statement of profit and loss as of April 01, 2011	**2,811**
Debit balance in Amalgamation reserve	**2,489**

- Further, in accordance with the Scheme, the debit balance in the Amalgamation Reserve as of April 1, 2011, if any, pursuant to the amalgamation have been adjusted against the securities premium account. The application and reduction of the securities premium account is effected as an integral part of the sanctioned Scheme which is also deemed to be the order under Section 102 of the Companies Act, 1956 (the "Act") confirming the reduction. Accordingly, the aforesaid balance in Amalgamation Reserve aggregating ₹ 2,489 Million as of April 1, 2011 has been adjusted against the securities premium account.

  The Board of erstwhile Satyam had for the year ended March 31, 2013 proposed a dividend of ₹ 0.60 per equity share amounting to ₹ 826 Million (including dividend tax thereon), which was provided for in its financial statements for the year ended March 31, 2013. Since the merger has become effective on June 24, 2013, the dividend could not be approved by the shareholders in the AGM which was scheduled to be held on 2nd August 2013. Erstwhile Satyam shareholders, who have been issued TechM shares in the ratio of 2 shares in TechM for 17 shares in erstwhile Satyam, became entitled to dividend of ₹ 5 per share. As shares of erstwhile Satyam held by Venturbay are cancelled on the merger, there is an excess provision of dividend of ₹ 217 Million, relating to the said shares of Venturbay that have been cancelled, which has been reversed from the proposed dividend.

The Board of Directors in its meeting held on June 25, 2013 had fixed July 5, 2013 as the Record Date for determining the shareholders of erstwhile Satyam who would be entitled to receive shares of the Company in the ratio of 2 equity Shares of ₹ 10/- each fully paid up in respect of 17 equity shares of ₹ 2/- each fully paid up of erstwhile Satyam in accordance with approved Scheme of Amalgamation and Arrangement. On July 6, 2013, the Securities Allotment Committee of the Board of Directors of the Company have allotted 103,485,396 equity shares of face value of ₹ 10/- each fully paid-up of the Company to the shareholders of erstwhile Satyam ranking pari-passu in all respects with the existing equity shares of the Company.

29.3 Other adjustments / matters arising out of amalgamation

In terms of the Scheme, the appointed date of the amalgamation being April 1, 2011, net profit from the amalgamating companies during the financial years 2011-12 and 2012-13 aggregating ₹ 19,735 Million has been transferred, to the extent not accounted already, to the Surplus in Statement of Profit and Loss in the books of the Company upon amalgamation.

As the Scheme has become effective from June 24, 2013 the figures for the current period includes the operations of the amalgamating companies. Accordingly, the figures for the year ended March 31, 2014 are after giving effect to the merger, while the comparative figures are before giving effect to the merger and, hence are not comparable.

29.4 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.

29.5 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.

30. Proposed Amalgamation with Mahindra Engineering Services Limited

The Board of Directors of Tech Mahindra Limited 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 TechM. The Appointed date of the Scheme is April 1, 2013.

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

The Company has received approval from Competition Commission of India (CCI) on January 10, 2014. Approvals from Bombay Stock Exchange and the National Stock Exchange are received on March 7, 2014. The Company is in process of filing the scheme with High Court of Bombay.

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

31. Certain matters relating to investigations pertaining to erstwhile Satyam Computer Services Limited (erstwhile Satyam):

31.1 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, information sought 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 since 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.

31.2 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 ₹ 11,393 Million (net debit) was identified in the financial statements of erstwhile Satyam as at March 31, 2009 under “Unexplained differences suspense account (net)” comprising (i) ₹ 173 Million (net debit) where complete information was not available and (ii) ₹ 11,220 Million (net debit) being fictitious assets and unrecorded loans in the opening balance as at April 2002. On grounds of prudence, these amounts had been provided for by erstwhile Satyam in the financial year ended March 31, 2009. As there is no further information available with the Management even after the lapse of more than three years, the said amount of ₹ 11,393 Million has been 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 ₹ 12,304 Million (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 31.3 below.

31.3 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 ₹ 12,304 Million 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 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 ₹ 8,220 Million 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 ₹ 8,220 Million 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 thirty seven 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.

Some petitions (except in the case of one petition where court fees have been paid and the pauper petition converted into a suit which is pending disposal), are before the Court, at the stage of rejection / trial of pauperism.

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 company received summons dated 26th February 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.

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.

31.4 Documents seized by CBI/other authorities

Pursuant to the investigations conducted by CBI/other authorities, most of the relevant documents in possession of erstwhile Satyam relating to period affected by the financial irregularities were seized by the CBI. On petitions filed by erstwhile Satyam, the ACMM granted partial access to it including for taking photo copies of the relevant documents as may be required in the presence of the CBI officials. Further, there were also certain documents which were seized by other authorities such as the Income Tax Authorities, of which erstwhile Satyam could only obtain photo copies.

31.5 Management's assessment of the identified financial irregularities

As per the assessment of the Management, based on the forensic investigation and the information available upto 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 regulators / agencies and the erstwhile Satyam has not received any further information as a result of the various ongoing investigations against the erstwhile Satyam which requires 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.

32. Aberdeen action (USA)

On November 13, 2009, a trustee of two trusts that are purported assignees of the claims of twenty investors who had invested in the erstwhile Satyam's ADS and common stock, filed a complaint against erstwhile Satyam, its former auditors and others (the "Action") alleging the losses suffered by the twenty investors (Claimants) is over USD 68 Million.

On July 27, 2012, the erstwhile Satyam entered into an Agreement of Settlement ("the Settlement") with Aberdeen Claims Administration, Inc., the trustee for the two trusts and twenty underlying investors.

The obligations incurred pursuant to the Settlement are in full and final disposition of the Action and the appropriate consent order of the Court in the Southern District of New York has been received on July 30, 2012. In terms of the Settlement, erstwhile Satyam has deposited in an Escrow Account an amount of USD 12 Million ("Settlement Amount") during the financial year ended March 31, 2013. Remittance out of the Escrow is subject to determination of appropriate withholding tax by the Authority for Advance Ruling (AAR).

33. Aberdeen (UK) complaint

In April 2012, erstwhile Satyam was served with an Amended Claim Form and Amended Particulars of claim dated December 22, 2011, initiating proceedings in the Commercial Court in London ("the English Court") by Aberdeen Asset Management PLC on behalf of 23 "Claimants" who are said to represent 30 funds who had invested in the Company's common stock that traded on the exchanges in India. On December 12, 2012, the Company entered into a confidential Settlement Agreement ("the Settlement") settling claims brought in the English Court by Aberdeen Global and twenty-two other funds (collectively, the "Claimants") managed by Aberdeen Asset Management PLC ("Aberdeen") and/or its subsidiaries (the "Claims"). The Claims included certain allegations of fraudulent misrepresentations said to have been made by the former management of erstwhile Satyam in London and relied upon by the Claimants' investment manager and/

or communicated in meetings alleged to have taken place in London. The Claimants have claimed that they have suffered losses of an estimated sum of USD 298 Million and additional consequential losses. By virtue of the Settlement, the Claims have been fully and finally disposed off on the basis of, inter-alia, a payment to be made by the Company of USD 68 Million ("Settlement Amount").

In terms of the Settlement, erstwhile Satyam has deposited a total amount of USD 68.16 Million towards the Settlement Amount and interest in an Escrow Account during financial year ended March 31, 2013. Remittance out of the Escrow is subject to determination of appropriate withholding tax by the Authority for Advance Ruling (AAR).

Commitment and Contingencies

34. Capital Commitments

34.1 The estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at March 31, 2014 is ₹ **9,599 Million** (previous year: ₹ 923 Million).

34.2 In respect of land refer Note 36(c).

Purchase commitments to / in respect of investments / subsidiaries

34.3 In September 2012, erstwhile Satyam had entered into a Subscription and Shareholders' agreement with SBI Hong Kong Holdings Co. Limited to set up a Joint Venture in Singapore with an investment of USD 25 Million (₹ 1,498 Million) to invest in promising companies in the information and communication technology sector, which was subject to approval of RBI. Post receipt of the RBI approval, the said joint venture was formed namely Global ICT Investment Holdings Pte. Ltd (Global ICT) in Singapore in September 2013. Global ICT is a 50:50 joint venture between SBI Hong Kong Holdings Co. Limited and the company. As of March 31, 2014, there is neither capital infused in Global ICT by either of the joint venturers nor Global ICT has commenced its operations.

34.4 On February 15, 2013, erstwhile Satyam had entered in to a joint venture agreement with Complex IT Services Constultoria EM Informatica LTDA for purchase of 51% stake in Complex IT Solutions Consultoria EM Informatica S.A. ("Complex Solutions") for a total cash consideration of up to USD 23 Million, comprising an upfront consideration of USD 6.50 Million paid in May 2013 and a contingent consideration of up to USD 16.50 Million (equivalent to ₹ 989 Million) payable during FY 2014-15.

34.5 The Company has entered into a preferred stock purchase agreement on 18th April 2014 for acquiring 75 % stake in the equity of FixStream Networks Inc. USA for a consideration not exceeding USD 10 Million (₹ 604 Million), which was remitted in April 2014.

34.6 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 EUR 10 Million (₹ 824 Million) (which includes upfront payment of EUR 7.30 Million) subject to achievement of certain conditions and regulatory approvals.

Other commitments

34.7 The company has outstanding commitments with respect to discharge of services to an international sports federation amounting to ₹ 380 Million as at March 31, 2014.

35. Contingent Liabilities

35.1 Bank Guarantees / comfort letters/ corporate guarantee outstanding as at March 31, 2014 are of ₹ **10,322 Million** (previous year : ₹ 1,072 Million).

35.2 Income Taxes/ Fringe Benefit Tax

The Company has received demand notices from Income Tax Authorities resulting in a contingent liability of ₹ **4,407 Million** (previous year: ₹ 3,843 Million). This is mainly on account of the following:

i. An amount of ₹ **822 Million** (previous year: ₹ 508 Million) relating to Transfer pricing adjustment on account of arm's length transactions. The Company has filed an appeal against the same. For the Assessment year 2010-11, the Company has received draft assessment order, against which the Company is in process of filing an appeal before Commissioner of Income Tax (Appeals) ("CIT(A)").

ii. An amount of ₹ **818 Million** (previous year: ₹ 568 Million) on account of adjustment of expenditure in foreign currency being excluded only from Export turnover and not from Total turnover. The Company has already won the appeal before the CIT (A) for Assessment Year 2004-05, 2005-06, 2007-08 & 2008-09. Income Tax Department is in appeal before the ITAT for Assessment year 2004-05, 2005-06, 2007-08 & 2008-2009 against the CIT(A)'s order. Company is in appeal against the Dispute Resolution Panel for Assessment Year 2006-07 and Assessment year 2008-09 before ITAT and appeal before the CIT(A) for the Assessment Year 2009-2010. For the Assessment year 2010-11, the Company has received draft assessment order, against which the Company is in process of filing an appeal before CIT(A).

iii. An amount of ₹ **2,751 Million** (previous year: ₹ 2,751 Million) relating to denial of deduction under section 10A of the Income Tax Act, 1961 on the transfer pricing adjustment. The Company has won the appeal before CIT(A) for Assessment Year 2007-08. The Income Tax department may intend to appeal before ITAT against the CIT(A)'s order.

iv. An amount of ₹ **16 Million** (previous year: ₹ 16 Million) relating to Fringe Benefit Tax. The Company has won the appeal before ITAT. The Income Tax department may intend to appeal before High Court against the ITAT order.

35.3 Income tax matters related to erstwhile Satyam

i. Financial years 2002-03 to 2005-06

Consequent to the letter of the erstwhile Chairman of the erstwhile Satyam, the Assessing Officer rectified the assessments earlier completed for the financial years 2002-03 to 2005-06, by passing rectification orders under Section 154 of the Income-tax Act, 1961 by withdrawing foreign tax credits and raising net tax demands aggregating ₹ 2,358 Million (including interest) against which refunds of financial years 2007-08 and 2009-10 aggregating ₹ 17 Million have been adjusted. During the financial year ended March 31, 2010, erstwhile Satyam had filed an appeal with the Commissioner of Income Tax (Appeals) (CIT (A)). In August, 2010 the CIT (A) dismissed the appeals. Subsequently, erstwhile Satyam had filed appeals before the Income Tax Appellate Tribunal (ITAT) for the aforesaid years which are pending disposal as on date. During the financial year 2010-11, the assessments (in the normal course of assessment) for the financial years 2004-05 and 2005-06 were further modified by issuing consequential orders re-computing the tax exemptions claimed by the erstwhile Satyam and enhancing the tax demands. The total contingent liability resulting for these years including consequential orders is ₹ 567 Million. Against the consequential orders, erstwhile Satyam has filed appeals before CIT (A) against the said enhancement of tax for the aforesaid years which are pending disposal as on date.

ii. Financial years 2007-08

Erstwhile Satyam has received a demand notice from Additional Commissioner of Income Tax by disallowing the foreign tax credits claimed in the return resulting in a contingent liability of ₹ 2,765 Million (including interest). The revised return filed by erstwhile Satyam was rejected by the Income Tax Department. Erstwhile Satyam has filed an appeal against the said order which is pending before the ITAT.

Erstwhile Satyam's contention with respect to the above tax demands is that the Income Tax Department should take a holistic view of the assessments and exclude the fictitious sales and fictitious interest income. If the said contention of erstwhile Satyam is accepted, there would be no tax demand payable.

iii. Petition before Honorable High Court of Andhra Pradesh: Financial years 2002-03 to 2007-08

Erstwhile Satyam had filed various petitions before Central Board of Direct Taxes (CBDT) requesting for stay of demands for the financial years 2002-03 to 2007-08 till the correct quantification of income and taxes payable is done for the respective years. In March 2011, the CBDT rejected erstwhile Satyam's petition and erstwhile Satyam filed a Special Leave Petition before the Honorable Supreme Court which directed erstwhile Satyam to file a comprehensive petition/representation before CBDT giving all requisite details/particulars in support of its case for re-quantification/re-assessment of income for the aforesaid years and to submit a Bank Guarantee (BG) for ₹ 6,170 Million. Pursuant to the direction by the Honorable Supreme Court, erstwhile Satyam submitted the aforesaid BG favouring the Additional Commissioner of Income tax and also filed a comprehensive petition before the CBDT in April 2011.

The CBDT, vide its order dated July 11, 2011, disposed off the erstwhile Satyam's petition directing it to make its submissions before the Assessing Officer in course of the ongoing proceedings for the aforesaid years and directed the Income Tax Department not to encash the BG furnished by erstwhile Satyam till December 31, 2011. Aggrieved by CBDT's order, erstwhile Satyam filed a writ petition before the Honorable High Court of Andhra Pradesh on August 16, 2011.

The Honorable High Court of Andhra Pradesh, vide its order dated January 31, 2012, directed the parties to maintain status quo and directed the Income Tax Department not to en-cash the BG until further orders. The BG has been extended upto October 19, 2014.

In the meanwhile, the Assessing Officer served an order dated January 30, 2012, for provisional attachment of properties under Section 281B of the Income Tax Act, 1961 attaching certain immovable assets of erstwhile Satyam on the grounds that there is every likelihood of a large demand to be raised against erstwhile Satyam for the financial years 2002-03 to 2008-09 along with interest liability. Aggrieved by such order, erstwhile Satyam filed a writ petition in the Honorable High Court of Andhra Pradesh that has granted a stay on the operation of the provisional attachment order until disposal of this writ.

iv. Appointment of Special Auditor and re-assessment proceedings

a. Financial years 2001-02 and 2006-07

The Assessing Officer had commissioned a special audit which has been challenged by the erstwhile Satyam on its validity and terms vide writ petitions filed before the Honorable High Court of Andhra Pradesh. The said petitions are pending disposal.

In August, 2011, the Additional Commissioner of Income Tax issued the Draft of Proposed Assessment Orders accompanied with the Draft Notices of demand resulting in a contingent liability of ₹ 7,948 Million and ₹ 10,329 Million for the financial years 2001-02 and 2006-07, respectively, proposing variations to the total income, including variations on account of Transfer Pricing adjustments. Erstwhile Satyam has filed its objections to the Draft of Proposed Assessment Orders for the aforesaid years on September 16, 2011 with the Honorable Dispute Resolution Panel, Hyderabad, which is pending disposal.

b. Financial years 2002-03 and 2007-08

In December 2011, the Additional Commissioner of Income Tax appointed a Special Auditor under section 142(2A) of the Income Tax Act, 1961 to audit the accounts of erstwhile Satyam for the financial years 2002-03 and 2007-08. Erstwhile Satyam had filed a writ petition before Honorable High Court of Andhra Pradesh challenging the special audit.

The proceedings set out above are also subject to the Hon'ble High Court of Andhra Pradesh order dated January 31, 2012, referred to in note 35.3.iii directing the parties to maintain status quo.

c. Financial year 2008-09

In January 2013, the Additional Commissioner of Income Tax appointed a Special Auditor under Section 142(2A) of the Income Tax Act, 1961 to audit the accounts of erstwhile Satyam for the financial year 2008-09. Erstwhile Satyam has challenged the appointment and terms of reference of the special audit by filing a writ petition before the Honorable High Court of Andhra Pradesh and the Court vide its interim order dated April 22, 2013, has directed parties to maintain status quo. The writ petition is pending hearing.

d. Financial year 2009-10

In March 2014, the Deputy Commissioner of Income Tax appointed a Special Auditor under Section 142(2A) of the Income Tax Act, 1961 to audit the accounts of erstwhile Satyam for the financial year 2009-10 and audit is under progress.

v. Provision for taxation

Erstwhile Satyam was carrying a total amount of ₹ 4,989 Million (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 ₹ 2,266 Million determined based on such evaluation in respect of the prior years has been written back during the current year. 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.

Income tax matters related to Tech Mahindra Business Services Limited (TMBSL)

35.3.1 Assessment Year 2008-09

The assessing officer had passed a draft assessment order making adjustments of ₹ **427 Million** mainly on account of transfer pricing adjustments and has raised a demand of ₹ **180 Million** during the year ended March 31, 2012. TMBSL had filed an objection against the said order with the Dispute Resolution Panel (DRP). Accordingly, TMBSL has provided an amount of ₹ **54 Million** in previous year ended March 31, 2012. DRP has passed an order on September 25, 2012 and ordered the TPO/AO to verify the computations made by the assesse and rectify the figures wherever necessary. In response to the order of DRP, AO has passed the final order on November 30, 2012 making additional adjustments of ₹ **210 Million** mainly on account of transfer pricing adjustments and has raised a demand of ₹ **80 Million**. TMBSL has filed an appeal against the order of AO to Income Tax Appellate Tribunal, Mumbai.

Against the order of AO demanding ₹ **80 Million**, TMBSL got the stay order from Honorable Income Tax Appellate Tribunal till November 30, 2013 subject to condition that 50% of the demand amount has to be paid before October 9, 2013. TMBSL has paid the demand before the dates stipulated. TMBSL has also filed stay of demand request to AO till the appeal is decided by the Honorable Income Tax Appellate Tribunal. The Income Tax Appellate Tribunal hearing is scheduled on May 15, 2014.

35.3.2 Assessment Year 2009-10

The assessing officer had passed a draft assessment order making adjustments of ₹ **1,057 Million** mainly on account of transfer pricing adjustments. TMBSL has filed an objection against the said draft assessment order with Dispute Resolution Panel (DRP). DRP has passed an order on December 19, 2013 and has ordered AO to complete the assessment order in accordance with DRP directions. In response to the order of DRP, AO has passed the final order on January 30th, 2014 making additional adjustments of ₹ **394 Million** mainly on account of transfer pricing adjustments and has raised a demand of ₹ **498 Million**. TMBSL has filed an appeal against the order of AO to Income Tax Appellate Tribunal, Mumbai.

Against the order of AO demanding ₹ **498 Million** TMBSL has paid the demand of ₹ **50 Million**. TMBSL has also filed stay of demand request to AO till the appeal is decided by the Honorable Income Tax Appellate Tribunal. The Income Tax Appellate Tribunal hearing is scheduled on June 30, 2014.

35.3.3 Assessment year 2010-2011

The assessing officer had passed a draft assessment order making adjustments of ₹ **1,305 Million** mainly on account of transfer pricing adjustments. TMBSL has filed an objection against the said draft assessment order with Dispute Resolution Panel (DRP) on March 25, 2014

35.3.4 TMBSL charges its customers a margin of 15% on operating costs & these customers were associated enterprises until TMBSL's entire shareholding was bought by Tech Mahindra Limited on September 4, 2012. The Assessing Officer while passing draft order for AY 2008 09 in December 2011 determined arm's length margin of 32.33% & proposed consequent adjustments. TMBSL out of an abundant caution decided to make the tax provision in respect of potential transfer pricing disputes for Assessment Year 2008–09 to Assessment Year 2012-13 in the previous year ending March 31, 2012. The said provision had been made on the basis of an arm's length margin of 24%, which is at the higher end of the arm's length band agreed in the MAP (Mutual Agreement Procedure) cases, along with interest though the company is confident of successfully defending transfer pricing methodology of cost plus 15%.

Post the purchase of the entire shareholding of TMBSL in the current year by Tech Mahindra Limited, the customers are not associated enterprises and the transfer pricing regulations are not applicable to TMBSL.

Income tax matters related to Satyam Ventures Engineers Services (SVES)

35.3.5 The Income-tax demands against the Company relating to issues of deductibility of expenditure and transfer pricing matters and exemptions Under Section 10A of the Income Tax Act, 1961, in respect of which the Company is in appeal and the outcome of which is not determinable at this stage, are summarised below:

i. For AY 2003-04 to AY 2005-06 and AY 2009-10 the tax demands (including interest) amounting to ₹ 187 Million has not been acknowledged as debts and not provided for.

ii. For AY 2002-03 and 2006-07 to 2008-09, the tax demands (including interest) have been fully provided for.

Income tax matters related to Tech Mahindra BPO Limited

35.3.6 Appointment of Special Auditor and reassessment proceedings

Special Audits commissioned by the Assessing Officer for the financial years 2002-03, 2003-04, 2004 – 05; 2006-07, 2007-08; 2008-09 and 2009–10 were completed. Based on the said Special Audits, the Assessing Officer has completed the assessments. The assessment orders issued by the Assessing Officers resulted in reducing the carry forward business loss/unabsorbed depreciation of the company. The company has filed the appeals before Commissioner of Income Tax (Appeals) against the said Orders. The appeals are pending disposal.

During the year, the assessment reopened earlier, for financial year 2005–06 and regular assessment for financial year 2010-11, have been completed resulting in tax demand of ₹ 24 Million and ₹ 19 Million respectively. Company is in the process of filing appeal before Commissioner of Income Tax (Appeals) against the said Order. For the financial year 2011 – 12, assessments by the assessing officer are under process.

35.3.7 Assessment Year 2002-2003 to 2010-2011

As per the returns filed by the company for the financial years 2002-03 to 2010-11, the company reported losses (including depreciation allowance) as per the Income Tax Act, 1961 aggregating to ₹ 1,979 Million. However, as per the assessments completed by various assessing officers losses (including depreciation allowance) as per the Income Tax Act, 1961 determined aggregate to ₹ 1,005 Million, resulting in a difference of ₹ 974 Million between the assessed losses and returned losses. Pending final disposal of the appeals filed, the company has recognized current tax liability for the year considering the losses as per returns filed for the respective financial years. As at the reporting date, the company has to receive an amount of ₹ 142 Million as refunds relating to earlier accounting years.

Income tax matters relating to Comviva

35.3.8 Comviva has received demand from Income Tax Authorities for Assessment year 2005-06 (from Assistant Commissioner of Income Tax) ₹ 3 Million (previous year: ₹ 3 Million) against which company has paid ₹ 2 Million (previous year: ₹ 2 Million) under protest.

35.3.9 Comviva has received demand from Income Tax Authorities for Assessment year 2006-07 (from Assistant Commissioner of Income Tax) : ₹ 2 Million (previous year: ₹ 2 Million).

35.3.10 Comviva has received demand from Income Tax Authorities for Assessment year 2007-08 u/s 154 (from Assistant Commissioner of Income tax): ₹ 2 Million (previous year: ₹ 2 Million) against which company has paid ₹ 2 Million (previous year: ₹ 2 Million) under protest.

35.3.11 Comviva has received demand from Income tax Authorities for the Assessment year 2007-08 for payment of additional tax u/s 143(3) from Deputy Commissioner of Income Tax for ₹ 58 Million (March 31, 2013 ₹ 58 Million). The Company has filed Form 35 with CIT(A) against this Assessment Order. The company has got favourable order from CIT (A). However the department has filed appeal with ITAT.

35.3.12 Demand from Income Tax Authorities for the Assessment year 2008-09 for payment of additional tax u/s 143(3) from Deputy Commissioner of Income Tax for ₹ 3 Million (March 31, 2013 : ₹ 3 Million). The company has filed Form 35 with CIT (A) against this Assessment order. The company has got favourable order from CIT (A). However department has filed the appeal with ITAT. Further ITAT has allowed the deduction of provision for warranty ₹ 2 Million (equivalent to tax amount demanded including interest of ₹ 1 Million). However, for disallowance under section 14A, ITAT has directed the tax officer to examine the issue afresh.

35.3.13 Comviva has received demand from Income Tax Authorities for Assessment Year 2010-11 for payment of additional tax u/s 143(3) from Deputy Commissioner of Income Tax for ₹ Nil. The assessment order has disallowed expenditure to the tune of ₹ 34 Million however there is no demand payable as the return was filed considering the income u/s 115JB (i.e. Under Minimum Alternate Tax). The company has filed Form 35 with CIT (A) against this Assessment order. The tax impact of the disallowed expenditure is ₹ 12 Million.

35.3.14 Service Tax

The Company has received demand notices from Service Tax Authorities amounting to ₹ **883 Million** (net of provision), (previous year: ₹ 314 Million (net of provision)) out of which:

i. ₹ **389 Million** relates to disallowance of input tax credits paid on services for the period March 2005 to March 2011 for erstwhile Satyam Computers Limited. An amount of ₹ **55 Million** has been paid “under protest”. The Company has filed an appeal before the Honorable Customs, Excise & Service Tax Appellate Tribunal (CESTAT) and is pending hearing.

ii. The Company pertaining to erstwhile CanvasM received demand in March 2014 from Service tax department amounting to ₹ **180 Million** (previous year: ₹ Nil) under reverse charge on onsite services rendered by overseas subsidiaries for the financial year 2010-11. The Company is in process of filing an appeal before the Honorable Customs, Excise & Service Tax Appellate Tribunal (CESTAT).

iii. ₹ **77 Million** (previous year: ₹ 77 Million) relates to marketing and onsite services rendered by overseas subsidiaries for the financial years 2004-05 to 2007-08 for erstwhile Tech Mahindra (R & D Services) Limited (TMRDL). An amount of ₹ **7 Million** (previous year: ₹ 7 Million) has been paid “under protest”.

iv. ₹ **13 Million** (previous year: ₹ 13 Million) pertains towards services provided under Management Consultancy services for the Company for which the Company has filed an appeal against the same.

v. The Company has received an order from Customs, Excise & Service Tax Appellate Tribunal (CESTAT) in March 2013, wherein the refunds claimed by the Company for the period upto February 2010 amounting to ₹ **224 Million** (previous year: ₹ 224 Million) has been disallowed. The Company has filed an appeal before the Honorable High Court.

35.3.15 Value Added Tax / Central Sales Tax

i. The company has received a demand notice under Maharashtra Value Added Tax Act, 2002 (MVAT) for Financial Year 2008-09 relating to mismatch of input vat credit availed in VAT return amounting to ₹ 5 Million (including Penalty and interest where applicable) (previous year: ₹ Nil).

ii. Erstwhile C & S had received a demand notice aggregating to ₹ 12 Million (including penalty and interest) under Gujarat Value Added Tax Act, 2003 for Financial Year 2006-07 to Financial Year 2008-09 relating to charging the type of VAT i.e. Sales Transaction / Local Value Added Tax against which the company has paid an amount of ₹ 7 Million under protest.

iii. The company has received demand notice under Delhi Value Added Tax Act, 2004 relating to levy of Central Sales Tax on handset taken for testing purpose (which are returned back after testing), aggregating to ₹ 1 Million (previous year: Nil) against which the Company has paid ₹ 1 Million under protest.

iv. Erstwhile Satyam had received demand orders/claims relating to issues of applicability and classification aggregating ₹ 423 Million (including penalty and interest, where applicable) against which the Company has paid an amount of ₹ 250 Million (including penalty and interest, where applicable) under protest.

The above excludes show cause notices relating to sales tax amounting to ₹ 8,378 Million (including penalty).

35.3.16 TMBSL Service Tax -

TMBSL has received show cause cum demand notice from Commissioner of Service Tax for non-payment of service tax ₹ 32 Million for receiving import services (reverse charge basis) for the period 2007-08 to 2012-13. TMBSL has filed the reply to show cause notice on March 27, 2014.

<u>Service tax matters for Tech Mahindra BPO Limited (TechM BPO)</u>

35.3.17 During the year 2012-2013, TechM BPO received an order from the commissioner of Customs, Central Excise and Sales Tax demanding an amount of ₹ 89 Million excluding interest and penalty towards service tax dues. The said amount has not been provided for. Interest and penalty on the said dues, upto March 31, 2014 aggregated to ₹ 166 Million. TechM BPO has gone on appeal before Customs and Central Excise and Service Tax Appellate Tribunal (CESTAT) for staying the operation and for setting aside the said order. TechM BPO has been granted unconditional stay in this regards.

35.3.18 During the year TechM BPO received order from the Commissioner of Customs, Central Excise and Service Tax demanding an amount of ₹ 3 Million excluding interest and penalty. The said amount has not been provided for. Interest and penalties on the said dues upto March 2014 aggregating to ₹ 4 Million. Against this order TechM BPO has gone for an appeal before the commissioner of Customs, Central Excise and Service Tax (Appeals) for staying the operations and for setting aside said order. TechM BPO has been ordered to pay ₹ 1 Million.

35.3.19 Service tax liability pertaining to SVES ₹ 10 Million.

35.3.20 Foreign Exchange Management Act (FEMA), 1999

The Directorate of Enforcement has issued a show-cause notice to erstwhile Satyam for contravention of the provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Realisation, Repatriation and Surrender of Foreign Exchange) Regulations, 2000, in respect of the realisation and repatriation of export proceeds to the extent of foreign exchange equivalent to ₹ 506 Million for invoices raised during the period July 1997 to December 31, 2002. The erstwhile Satyam has responded to the show-cause notice and the matter is pending.

35.3.21 Other Claims on the Company not acknowledged as debt

i. Alleged Advances: refer Note 31.3.

ii. Claims made on the erstwhile Satyam by vendors, its employees and customers - ₹ 68 Million.

iii. Other claims – ₹ 6 Million against which the erstwhile Satyam has paid an amount of ₹ 3 Million under protest.

iv. Claims made on TechM not acknowledged as debts amount to ₹ 107 Million.

v. Claims against erstwhile Satyam not acknowledged as dues ₹ 1,000 Million and interest.

vi. Comviva has received demand from BSES, New Delhi amounting to ₹ 15 Million and from BESCOM, Bangalore amounting to ₹ 7 Million.

vii. Claim has been made on Comviva of ₹ 36 Million (equivalent USD 594,331) by a leading telecom customer in Africa. The company has provided for an amount of ₹ 27 Million based on its estimate of the liability and the balance amount is shown under contingent liabilities.

viii. Dispute in relation to a subsidiary, refer Note 37.

35.3.22 Management's assessment of contingencies / claims

The amounts disclosed under contingencies/claims represent the best possible estimates arrived at on the basis of the available information. Due to high degree of judgement required in determining the amount of potential loss related to the various claims and litigations mentioned above and the inherent uncertainty in predicting future settlements and judicial decisions, the Company cannot estimate a range of possible losses.

However, the Company is carrying a provision for contingencies as at March 31, 2014, which, in the opinion of the Management, is adequate to cover any probable losses in respect of the above litigations and claims. Refer note 58.

35.3.23 Other regulatory non-compliances / breaches (of the erstwhile Satyam under erstwhile Management [prior to Government nominated Board])

The management of erstwhile Satyam had identified certain non-compliances / breaches of various laws and regulations by erstwhile Satyam under the erstwhile management (prior to Government nominated Board) 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 Act, unauthorised borrowings, excess contributions to Satyam Foundation, loan to ASOP Trust (Satyam Associates Trust) without prior Board approval under the Act, 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. In respect of some of these matters, erstwhile Satyam (under the Management post Government nominated Board) has applied to the Honorable Company Law Board for condonation and is proposing to make an application to the other appropriate authorities, where applicable, for condoning the remaining non-compliances and breaches relatable to erstwhile Satyam. Any adjustments, if required, in the financial statements of the Company, would be made as and when the outcomes of the above matters are concluded.

In respect of foreign currency receivables for the period's upto March 31, 2009, the required permission under the provisions of FEMA for extension of time had not been obtained from the appropriate authorities. Erstwhile Satyam under the management post Government nominated Board has fully provided for these receivables.

36. Land

a. In respect of certain land admeasuring 19.72 acres purchased by erstwhile Satyam in Hyderabad, erstwhile Satyam entered into an agreement with the Government of Andhra Pradesh (GoAP) pursuant to which, it is eligible for incentives, concessions, privileges and amenities under the Information and Communications Technology (ICT) Policy of the GoAP. During the financial year ended March 31, 2009, erstwhile Satyam accounted for an eligible grant amounting to ₹ 96 Million towards the basic cost of the land on acquisition which was adjusted to the cost of the land. Erstwhile Satyam's entitlement to the aforesaid grant is subject to the fulfillment of certain conditions (secured by bank guarantees issued in favor of Andhra Pradesh Industrial Infrastructure Corporation), including employment of a minimum of eligible employees in facilities constructed over the said land, that have been substantially met and are under validation by the GoAP. The company has earlier provided bank guarantee of ₹ 23 Million which is expired and no new bank guarantee has been submitted by the Company. Further, the Company has filed an application dated March 26, 2014 to A.P. Industrial Infrastructure Corporation Limited requesting execution of sale deed on which Company is expecting favorable reply.

b. In respect of land admeasuring 50 acres purchased from Andhra Pradesh Industrial Infrastructure Corporation Limited in Vishakhapatnam for a total cost of ₹ 50 Million there are certain disputes which have arisen and the Government of Andhra Pradesh has ordered the District Collector to allot alternate land to erstwhile Satyam. In view of the Management, the said land will be allotted in favour of the Company and, pending alternate allotment, the amount of ₹ 50 Million is included in Capital Advances (under Long-term loans and advances) as at March 31, 2014.

c. The erstwhile Satyam has entered into an agreement with the Maharashtra Airport Development Company Ltd (MADC) for the land taken on lease in Nagpur for which it shall erect buildings and commence commercial activities by January 7, 2015.

37. Dispute with Venture Global Engineering LLC

Pursuant to a Joint Venture Agreement in 1999, the erstwhile Satyam and Venture Global Engineering LLC (VGE) incorporated Satyam Venture Engineering Services Private Limited (SVES) in India with an objective to provide engineering services to the automotive industry.

On or around March 20, 2003, numerous corporate affiliates of VGE filed for bankruptcy and consequently the erstwhile Satyam, exercised its option under the Shareholders Agreement (hereinafter referred to as "the SHA"), to purchase VGE's shares in SVES. The erstwhile Satyam's action, disputed by VGE, was upheld in arbitration by the London Court of International Arbitration vide its award in April 2006 ("the Award").

The Courts in Michigan, USA, confirmed and directed enforcement of the Award. They also rejected VGE's challenge to the Award. In 2008, the District Court of Michigan further held VGE in contempt for its failure to honour the Award and inter-alia directed VGE to dismiss the nominees of VGE on its Board and replace them with individuals nominated by the erstwhile Satyam. This Order was also confirmed by the Sixth Circuit Court of Appeals in 2009. Consequently, VGE the erstwhile Satyam's nominees were appointed on the Board of SVES and SVES confirmed the appointment at its Board meeting held on June 26, 2008. The erstwhile Satyam was legally advised that SVES became its subsidiary only with effect from that date.

In the meantime, while proceedings were pending in the USA, VGE filed a suit in April 2006, before the District Court of Secunderabad in India for setting aside the Award. The City Civil Court, vide its judgment in January 2012, has set aside the Award, against which the erstwhile Satyam preferred an appeal ("Company Appeal") before the High Court.

VGE also filed a suit before the City Civil Court, Secunderabad inter alia seeking a direction to the Company to pay sales commission that it was entitled to under the Shareholders Agreement. In the said suit, two ex-parte orders were issued directing the Company and Satyam to maintain status quo with regard to transfer of 50% shares of VGE and with regard to taking major decisions which are prejudicial to interest of VGE

The Company has challenged the ex-parte orders of the City Civil Court Secunderabad, before the High Court ("SVES Appeal").

The High Court of Andhra Pradesh consolidated all the Company appeals and by a common order dated August 23, 2013 set aside the Order of the City Civil Court, Hyderabad setting aside the award and also the ex-parte orders of the City Civil Court, Secunderabad. The High Court as an interim measure ordered status quo with regard to transfer of shares, originally given by Supreme Court to be maintained for four weeks which was extended for a further period of three weeks. VGE has filed special leave petition against the said Order before Supreme Court of India, which is currently pending. The Supreme Court by an interim Order dated October 21, 2013 extended the High Court order on the status-quo on transfer of shares. The Company has also filed a Special Leave Petition before the Supreme Court of India challenging the judgement of the High Court only on the limited issue as to whether the Civil Court has jurisdiction to entertain VGE's challenge to the Award. The said Petition is pending before the Supreme Court.

In a related development, in December 2010, VGE and the sole shareholder of VGE (the "Trust", and together with VGE, the "Plaintiffs"), filed a complaint against the erstwhile Satyam in the United States District Court for the Eastern District of Michigan ("District Court") inter alia asserting claims under the Racketeer Influenced and Corrupt Organization Act, 1962 (RICO), fraudulent concealment and seeking monetary and exemplary damages ("the Complaint"). The District Court vide its order in March 2012 has dismissed the Plaintiffs Complaint. The District Court also rejected VGE's petition to amend the complaint. In June 2013, VGE's appeal against the order of the District Court has been allowed by the US Court of Appeals for the Sixth Circuit. The matter is currently before the District Court and the Company has filed a petition before District Court seeking dismissal of the Plaintiff's Complaint. The said petition is pending before the District Court.

38. Satyam Venture Engineering Services Private Limited (SVES)

38.1 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 ₹ 359 Million 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 provide an amount of ₹ 529 Million 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 (Refer Note 37) directing all parties to maintain status quo, the Board of SVES did not make any provision for contingency in the current year towards sales commission but instead disclosed an amount of ₹ 318 Million 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, 2014 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.

38.2 Preparation of financial statements

At the Annual General Meetings of the Company held on 29.10.2012 and 10.09.2013, 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 and March 31, 2013 respectively. In terms of Article 66 of the Articles of Association of the Company, the adoption of audited financial statements requires unanimous consent of both the shareholders of the Company. Therefore, the said financials have not been approved by the shareholders.

The financial statements as at and for the period ended March 31, 2014 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.

39. Other matters

Foreign currency receivables

In respect of overdue foreign receivables of erstwhile Satyam, the Company is taking steps under the provisions of FEMA, for recovery and/or permissions for write-offs, as appropriate.

40. Share application money pending allotment

The amount received from employees on exercise of stock options is accounted as Share application money pending allotment. Upon allotment, the amount received corresponding to the shares allotted against the options exercised is transferred to Share capital and Securities premium account (if applicable) and taxes (if applicable) recovered from employees. An amount of ₹ **15 Million** is outstanding as at March 31, 2014 (previous year: ₹ 3 Million) representing amounts received from employees of the Company on exercise of stock options towards face value, securities premium and perquisite tax recovered by the Company from the employees, pending allotment.

41. In September 2008, the Company had made an investment of ₹ 85 Million which was equal to 17.28%of the equity share capital of Servista Limited, a leading European system integrator. With this investment, the Company became Servista' s exclusive delivery arm for three years and would assist Servista in securing more large scale European IT off shoring business. Subsequently, the business plan of Servista was adversely affected by the economic downturn and it continued to incur losses and therefore, Servista in June 2009 decided to close down its operations. Hence, the Company made a provision of ₹ 85 Million in the year ended March 31, 2010 as diminution in the value of its investments in Servista. As of March 31, 2014, Servista is in process of winding up and in the view of the management; the Company would have no further unrecorded obligations towards settlement of any further liability.

42. Erstwhile Satyam had made an investment in Dion Global Solutions Limited amounting to ₹ 350 Million. The Company has made provision during the year ended March 31, 2014 amounting to ₹ 243 Million towards diminution in the value of the said investment as the decline in the value of investment is other than temporary.

43. On April 2, 2013, the Company had taken over certain LAB equipments and 7 associates from one of its customers in Sweden vide its agreement dated March 21, 2013 for a purchase consideration of USD 6 Million (₹ 326 Million). As per the terms of agreement, the purchase consideration shall be discharged by the Company by providing services for next three years. As at March 31, 2014 the Company, against the said purchase consideration, has provided services amounting to USD 2.90 Million (₹ **157 Million**).

44. On August 31, 2012, British Telecommunications Plc. (erstwhile promoter of TechM) sold 17,935,484 equity shares in the open market and their holding in TechM came down to 9.10%. As a consequence of this, the Joint Venture agreement between Mahindra & Mahindra Limited and British Telecommunications Plc. ("promoters of TechM") stands terminated. As a result of this, British Telecommunications Plc. is no longer a related party of TechM effective August 31, 2012.

Further, on December 12, 2012, British Telecommunications Plc. sold the balance 11,611,439 equity shares in the open market.

45. During the year ended March 31, 2010, a customer of the Company restructured its long term contracts with the Company effective April 01, 2009 which involves changes in commercial terms, including rate reduction, and other agreed contract terms. As per the amended contracts, the customer had paid the Company restructuring fees amounting to ₹ 9,682 Million. The services under the restructured contracts would continue to be rendered over the life of the contract. The restructuring fees received have been amortized and recognized as revenue over the term of the contract on a straight line basis.

An amount of ₹ **1,663 Million** (previous year: ₹ 2,005 Million) has been recognized as revenue for the year ended March 31, 2014. In addition, it also includes contract termination fees received from a customer which is amortised and accounted as revenue, to the extent there is a continuing customer involvement.

46. (a) As required by the Bahrain Commercial Companies Law and the TMBL's Articles of Association, 10% of the profit for each period is required to be transferred to a statutory reserve. TMBL may resolve to discontinue such annual transfers when the reserve totals 50% of the issued share capital. Accordingly during the year ended March 31, 2010, TMBL has transferred fifty percent of share capital to statutory reserve. The reserve is not available for distribution, except in the circumstances stipulated in the Bahrain Commercial Companies Law.

(b) In accordance with the U.A.E. Federal Law No (8) of 1984, as amended, and the Company's Articles of Association, Comviva Technologies FZ-LLC, one of the subsidiary of TechM has created a statutory reserve by transferring 10% of its net profit for each year, to the maximum cumulative balance of the said reserve equals 50% of the issued share capital. This reserve is not available for distribution except as stipulated by the Law.

47. Details of employee benefits as required by the Accounting Standard 15 (Revised) Employee Benefits are as under:

a) Defined Contribution Plan

Amount recognized as an expense in the Statement of Profit and Loss for the year ended March 31, 2014 in respect of defined contribution plan is ₹ **2,106 Million** (previous year: ₹ 952 Million).

b) Defined Benefit Plan

The defined benefit plan comprises of gratuity. The gratuity plan is not funded except for Comviva, where in it is funded by Life Insurance Corporation of India. The movement of present value of defined obligation is as follows:

₹ in Million

Particulars	**As at March 31, 2014**		As at March 31, 2013	
	Non Funded	**Funded**	Non Funded	Funded
Changes in Fair Value of defined benefit obligation				
Projected benefit obligation, beginning of the year	**1,299**	**72**	1,107	-
Add: Additions on account of amalgamation (refer note 29)	**1,203**	**0**	96	74
Service cost	**471**	**17**	243	4
Interest cost	**189**	**6**	93	2
Actuarial (Gain) / Loss	**(547)**	**5**	(107)	(6)
Benefits paid	**(268)**	**(6)**	(113)	(2)
Trust Fund Receivable (erstwhile TMRDL)*	**(40)**	**0**	(38)	-
Projected benefit obligation, at the end of the year	**2,307**	**94**	1,281	72

* The Trust fund was created to fund the gratuity liability of the erstwhile TMRDL. After amalgamation of TMRDL with TechM, the balance in Trust Fund can be utilized only for the payment of obligation arising for gratuity payable to employees of erstwhile TMRDL.

The composition of the Trust Balance as on March 31, 2014 is as follows:

₹ in Million

Particulars	**March 31, 2014**	March 31, 2013
Government of India Securities/ Gilt Mutual Funds	**6**	9
State Government Securities/ Gilt Mutual Funds	**9**	4
Public Sector Unit Bonds	**9**	13
Bank Balance	**16**	12
Total	**40**	38

The composition of funded plan of Comviva as on March 31, 2014 is as follows:

₹ in Million

Particulars	March 31, 2014	March 31, 2013
Opening fair value of plan assets	20	-
Fair value of plan assets on acquisition	-	20
Expected return on plan assets	2	1
Contributions by employer	1	6
Benefits paid	(6)	(7)
Actuarial gain	1	0
Closing fair value of plan assets at end of the year	18	20

Components of expense recognized in the Statement of Profit and Loss for the year ended March 31, 2014 for Non-Funded is as follows:

₹ in Million

Particulars	For the year March 31, 2014	For the year March 31, 2013
Service cost	471	243
Interest cost	189	93
Expected return on plan Assets	(3)	0
Actuarial (Gain) / loss	(547)	(107)
Total	110	229

Components of expense recognized in the Statement of Profit and Loss for the year ended March 31, 2014 for funded is as follows:

₹ in Million

Particulars	For the year March 31, 2014	For the year March 31, 2013
Service cost	17	4
Interest cost	6	2
Expected return on plan Assets	(3)	(3)
Actuarial (Gain) / loss	5	(6)
Total	25	(3)

Experience Adjustments (Non Funded)

₹ in Million

	As at				
Particulars	**March 31, 2014**	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
1. Defined Benefit Obligation	(2,347)	(1,314)	(1,097)	(922)	(801)
2. Fair value of plan assets	40	38	35	34	31
3. Surplus/(Deficit)	(2,307)	(1,276)	(1,062)	(888)	(770)
4. Experience adjustment on plan liabilities [Gain/(Loss)]	249	155	23	75	95
5. Experience adjustment on plan assets [Gain/(Loss)]	(2)	-	(1)	(1)	2
6. Actuarial gain / (loss) due to change on assumptions	303	(20)	(25)	(2)	31

Experience Adjustment (Funded)

₹ in Million

Particulars	As at				
	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
1. Defined Benefit Obligation	**(94)**	(72)	-	-	-
2. Fair value of plan assets	**18**	20	-	-	-
3. Surplus/(Deficit)	**(76)**	(52)	-	-	-
4. Experience adjustment on plan liabilities [Gain/(Loss)]	**3**	10	-	-	-
5. Experience adjustment on plan assets [Gain/(Loss)]	**1**	0	-	-	-
6. Actuarial gain / (loss) due to change on assumptions	**1**	-	-	-	-

Principal Actuarial Assumptions (Non Funded)	**As at March 31, 2014**	As at March 31, 2013
Discount Rate	**8.60% to 9.25 %**	8.00 %
Rate of increase in compensation levels of covered employees	**7.00% to 8.50 %**	9.00 %

Principal Actuarial Assumptions (Funded)	**As at March 31, 2014**	As at March 31, 2013
Discount Rate	**8.60%**	8.60%
Rate of increase in compensation levels of covered employees	**8.50%**	7.50%
Expected rate of return on plan assets	**7.50 %**	7.50%

- The discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated terms of the obligations.
- The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

48. Payment to Auditors (net of service tax):

₹ in Million

Particulars	**March 31, 2014**	March 31,2013
Audit Fees (Including quarterly audits)	**36**	11
For other Services	**13**	5
For taxation matters	**3**	1
For Reimbursement of Expenses	**0**	0
Total	**52**	17

49. Leases

a) Group has taken premises on operating lease for a period of one to ten years. The expense on such lease rentals recognized in the Statement of Profit and Loss for the year ended March 31, 2014 is ₹ **2,434 Million** (previous year: ₹1,266 Million). The future lease payments of such operating lease are as follows:

₹ in Million

Particulars	**Not later than 1 year**	**Later than 1 year not later than 5 years**	**Later than 5 years**
Minimum Lease rentals payable(previous year: ₹ 1,061 Million, ₹ 1,876 Million and ₹ 277 Million, respectively)	853	1,374	397

b) Group has taken computers and its related equipments on operating lease for a period of one to five years. The expense on such lease rentals recognized in the Statement of Profit and Loss for the year ended March 31, 2014 is ₹ **36 Million** (previous year: ₹ 36 Million). The future lease payments of operating lease are as follows:

₹ in Million

Particulars	**Not later than 1 year**	**Later than 1 year not later than 5 years**	**Later than 5 years**
Minimum Lease rent payable (previous year: ₹ 11 Million, ₹ 27 Million and ₹ Nil respectively)	106	240	150

c) TechM has given premises on operating lease for a period of one to five years. The rental income recognized in the Statement of Profit and Loss for the year ended March 31, 2014 is ₹ **179 Million** (previous year: ₹ 35 Million). The future lease rent receivable on such premises given on operating lease are as follows:

₹ in Million

Particulars	**Not later than 1 year**	**Later than 1 year not later than 5 years**	**Later than 5 years**
Minimum Lease rent receivable (previous year: ₹ 35 Million, ₹ 26 Million and ₹ Nil, respectively)	123	191	42

d) TechM has taken vehicles, furniture and fixtures and plant and equipments on finance lease for a period of one to five years. The future lease rent payable on such vehicles taken on finance lease are as follows:

₹ in Million

Particulars	**As at March 31, 2014**
Minimum lease payments	
- Less than one year	**53**
- One to five years	**56**
- Later than five years	
Total	**109**
Present value of minimum lease payment	
- Less than one year	**42**
- One to five years	**50**
- Later than five years	
Total	**92**

e) Comviva has entered into an agreement on September 25, 2008 with one of its customer to provide Managed VAS Services on revenue share basis for a period of three years from date of commercial launch of VAS services. Comviva has installed hardware and software at third party location to provide such services and as per the terms of the agreement, these assets qualify as finance lease.

During the year ended March 31, 2012, Comviva has re-negotiated the terms of the contract with lessee. The contract period been extended for a period of three years (that is till year ended December 31, 2014). Comviva will also provide certain services under the revised contract. The contract continues to be on revenue share basis, however, the lessee has given a minimum guarantee of US$ 38,639 per month towards monthly lease payment and services. As the revised contract covers substantial life of the assets hence the modified lease is continued to be considered as finance lease. There is no escalation clause or restriction imposed under the revised lease agreement.

₹ in Million

Particulars	As at March 31, 2014	As at March 31, 2013
Gross Investment in the Lease	-	24
For 1 year	-	15
For 2 to 5 years	-	11
Less : Unearned finance income	-	2
Present Value of minimum lease payment		
For 1 year	-	12
For 2 to 5 year	-	10

50. The Honorable Supreme Court vide its order dated February 2, 2012 cancelled 2G licenses issued to some of Telecom operators in India in 2008. As a result of the cancellation, the business of Company's two customers has become unviable and one of the customers has started winding up proceedings of the Indian operations. The Company had made provision of ₹ 679 Million in the year ended 31st March 2012 on account of likely impairment in the carrying value of the related assets.

51. As per the requirements of Accounting Standard 17 on 'Segment Reporting' (AS 17), the primary segment of the Group is business segment by category Information Technology (IT) Business and Business Processing Outsourcing (BPO), secondary segment is the geographical segment by location of its customers.

Earlier TechM provided IT & BSG services only to telecom vertical & hence, its IT business for telecom vertical was monitored by sub segments like Telecom Service Provider (TSP), Telecom Equipment Manufacturer (TEM) & in Segmental Reporting all these were reported as Primary Segments.

Erstwhile Satyam on the other hand provided IT & BSG services all industry verticals & the performance was monitored by two businesses namely segments IT & BPO & in segmental reporting IT & BPO were two primary segments.

Post-merger, the Group has diversified industry segments and the management would monitor business as IT & BPO & these would be used as primary segments.

The accounting principles consistently used in the preparation of the financial statements are also applied to record income and expenditure in the individual segments. There are no inter-segment transactions during the year ended March 31, 2014.

- **Segment Information for the year ended March 31, 2014**

A. Primary Segment

₹ in Million

Particulars	For the year 2013-2014			For the year 2012-2013		
	IT Services	BPO	Total	IT Services	BPO	Total
Revenue	170,139	18,175	188,314	58,057	10,674	68,731
Direct Expenses	107,176	10,072	117,248	36,846	6,544	43,390
Segmental Operating Income	62,963	8,103	71,066	21,211	4,130	25,341
Less : Unallocable Expenses						
Finance Charges			799			1,030
Depreciation and amortisation expense			5,222			2,000
Other Unallocable Expenses			29,228			11,099
Total Unallocable Expenses			35,249			14,129
Operating Income			35,817			11,212
Other Income			1,130			(747)
Profit before Exceptional Items, Tax and Minority Interest			36,947			10,465

₹ in Million

Particulars	For the year 2013-2014			For the year 2012-2013		
	IT Services	BPO	Total	IT Services	BPO	Total
Exceptional Item – Income (refer note 61)			1,200			-
Profit Before tax and minority interest			38,147			10,465
Provision for Taxation						
a) Current tax			10,139			2,533
b) Deferred tax			(350)			(178)
c) Excess provision written back			(2,266)			-
Profit after tax and before Minority Interest			30,624			8,110
Minority Interest			(336)			(196)
Profit after tax before share of associates			30,288			7,914
Share in Profit of Associate			-			4,964
Net profit for the year			30,288			12,878

B. **Secondary Segment**

Revenue details as per geography:

₹ in Million

Geography	For the year March 31, 2014	For the year March 31, 2013
Americas	86,327	22,839
Europe	58,345	30,900
ROW	43,642	14,902
Total	188,314	68,731

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 and TechM is of the view that it is not practical to reasonably allocate liabilities and other non-cash expenses to individual segments and an ad-hoc allocation will not be meaningful.

52. Employee Stock Option Scheme

a) The Company has instituted "Employee Stock Option Plan 2000" (ESOP) for eligible employees and Directors of the Company and its subsidiaries. In terms of the said plan, the company has granted options to the eligible employees which vest at the rate of 33.33% on each successive anniversary of the grant date. The options can be exercised over a period of 5 years from the date of grant. Each option carries with it the right to purchase one equity share of the Company at the exercise price determined by the Company on the basis of fair value of the equity shares at the time of grant. The details of the options are as under:

Particulars	March 31, 2014	March 31, 2013
Options outstanding at the beginning of the year	392,830	448,500
Options granted during the year	200,000	-
Options lapsed during the year	-	-
Options cancelled during the year	7,810	41,470
Options exercised during the year	100,190	14,200
Options outstanding at the end of the year	484,830	392,830

Out of the options outstanding as at March 31, 2014, there are **160,550** (previous year: 131,120) (Net of exercised & lapsed) vested options, which have not been exercised.

b) The Company has instituted "Employee Stock Option Plan 2004" (ESOP 2004) for eligible employees and Directors of the Company. In terms of the said plan, the Compensation and Nomination Committee has granted options to employees of the Company. The options are divided into upfront options and performance options. The upfront options are divided into three sets which will entitle holders to subscribe to option shares at the end of first year, second year and third year. The vesting of the performance options will be decided by the Compensation and Nomination Committee based on the performance of employees.

Particulars	**March 31, 2014**	March 31, 2013
Options outstanding at the beginning the year	**2,235,134**	2,235,134
Options granted during the year	**-**	-
Options lapsed during the year	**-**	-
Options cancelled during the year	**-**	-
Options exercised during the year	**760,641**	-
Options outstanding at the end of the year	**1,474,493**	2,235,134

Out of the options outstanding as at March 31, 2014, there are **1,474,493** (previous year: 2,235,134) (Net of exercised & lapsed) vested options, which have not been exercised.

c) The Company has instituted "Employee Stock Option Plan 2006 "(ESOP 2006) for eligible employees and Directors of the Company and its subsidiaries. In terms of the said plan, the Compensation and Nomination Committee has granted options to the employees of the Company. The vesting of the options is 10%, 15%, 20%, 25%, and 30 % of total options granted after 12, 24, 36, 48 and 60 months, respectively from the date of grant. The maximum exercise period is 7 years from the date of grant.

The details of the options are as under:

Particulars	**March 31, 2014**	March 31, 2013
Options outstanding at the beginning of the year	**1,291,825**	1,931,883
Options granted during the year	**168,000**	116,000
Options lapsed during the year	**40,240**	71,778
Options cancelled during the year	**70,575**	171,790
Options exercised during the year	**458,230**	512,490
Options outstanding at the end of the year	**890,780**	1,291,825

Out of the options outstanding as at March 31, 2014, there are **209,255** (previous year: 571,225) (net of exercised & lapsed) vested options, which have not been exercised.

d) The Company has instituted "Employee Stock Option Plan 2010 "(ESOP 2010) for eligible employees and Directors of the Company and its subsidiaries. In terms of the said Plan, options to the employees and Directors in form of Options shall vest at the rate of 33.33% on each successive anniversary of the grant date. The options can be exercised over a period of 5 years from the date of grant. Each Option carries with it the right to purchase one equity share of the Company at the exercise price determined by Compensation and Nomination Committee.

The details of the options are as under:

Particulars	**March 31, 2014**	March 31, 2013
Options outstanding at the beginning of the year	**2,166,874**	2,278,500
Options granted during the year	**3,350**	10,000
Options lapsed during the year	**-**	-
Options cancelled during the year	**40,002**	15,834
Options exercised during the year	**149,139**	105,792
Options outstanding at the end of the year	**1,981,083**	2,166,874

Out of the options outstanding as at March 31, 2014, there are **1,777,364** (previous year: 1,189,404) (net of exercised & lapsed) vested options, which have not been exercised.

e) **TML ESOP – B 2013**

Erstwhile Satyam has established a scheme 'Associate Stock Option Plan – B' (ASOP - B) under which 28,925,610 options were available for grant/exercise at the time the Scheme of Amalgamation became effective. Post merger, these options were adjusted in terms of the approved Scheme of Amalgamation and obtained Listing approval for 3,403,013 options and each option entitles the holder one equity share of ₹ 10/- each of the company. These options vest over a period of 1-4 years from the date of the grant. Upon vesting, employees have 5 years to exercise the options. Post-merger, the name of the ESOP scheme has been changed to 'TML ESOP B 2013'.

The details of the options are as under:

Particulars	**March 31, 2014**
Options outstanding at the beginning of the year	**1,731,333**
Options granted during the year**	**1,921,889**
Options lapsed during the year	**150,023**
Options cancelled during the year	**185,957**
Options exercised during the year	**365,419**
Options outstanding at the end of the year	**2,951,823**

Out of the options outstanding at the end of the year ended March 31, 2014, there are **851,296** (Net of exercised & lapsed) vested options, which have not been exercised.

** included 4,300 Options granted and outstanding at the end of the period adjusted for round off as per the merger scheme considered at the end of the period.

f) **TML- RSU**

The erstwhile Satyam has established a scheme 'Associate Stock Option Plan - Restricted Stock Units (ASOP – RSUs)' to be administered by the Administrator of the ASOP – RSUs, a committee appointed by the Board of Directors of the erstwhile Satyam in May 2000. Under the scheme, 1,529,412 equity shares (equivalent number of equity shares post-merger) are reserved to be issued to eligible associates at a price to be determined by the Administrator which shall not be less than the face value of the share. These RSUs vest over a period of 1-4 years from the date of the grant. The maximum time available to exercise the warrants upon vesting is five years from the date of vesting. Post-merger, the scheme has been adopted and approved by the shareholders of the Company & the name of the ESOP scheme has been changed to TML RSU. The Company has reissued respective options in the agreed ratio as per the merger scheme.

The details of the options are as under:

Particulars	**March 31, 2014**
Options outstanding at the beginning of the year	**717,615**
Options granted during the year **	**248,912**
Options lapsed during the year	**1,524**
Options cancelled during the year	**42,914**
Options exercised during the year	**55,833**
Options outstanding at the end of the year	**866,256**

** included 206 Options granted and outstanding at the end of the period adjusted for round off as per the scheme.

Out of the options outstanding at the end of the year ended March 31, 2014, there are **128,214** (Net of exercised & lapsed) vested options, which have not been exercised.

g) **ESOP - A**

Erstwhile Satyam had established a ESOP scheme viz., 'Associate Stock Option Plan – A' (ASOP - A) formulated prior to the SEBI Guidelines on ESOP and ESPS issued in 1999. This plan was administered through an employee's trust viz., Satyam Associates Trust. (Satyam Trust). At the time the Scheme of Amalgamation and Arrangement become effective, the Satyam Trust was holding 2,055,320 shares of erstwhile Satyam, which post amalgamation were converted into 241,802 shares of the company at the approved share exchange ratio. Also at the same time, this scheme was been transitioned and renamed as ESOP-A. Satyam Trust granted 241,802 warrants to the employees of the company with an exercise price of ₹ 120 with vesting schedule spread over 4 years with 25% each year. Each warrant shall entitle the warrant holder one equity share of ₹ 10 each fully paid up. The exercise period is 30 days from the date of each vesting.

Particulars	**March 31, 2014**
Options outstanding at the beginning of the year	**-**
Options granted during the year	**242,802**
Options lapsed during the year	**-**
Options cancelled during the year	**2,500**
Options exercised during the year	**-**
Options outstanding at the end of the year	**240,302**

h) The stock compensation cost for the Employee Stock Option Plan 2010, Employee Stock Option Plan 2000, Employee Stock Option Plan- B 2013, ASOP-A and TML-RSU schemes issued at par has been computed under the intrinsic value method and amortized over the total vesting period. For the year ended March 31, 2014 the company has accounted for stock compensation expense amounting to ₹ **1,312 Million** (previous year: ₹ 500 Million).

i) The Company uses the intrinsic value-based method of accounting for stock options granted after April 1, 2005. Had the compensation cost for the Company's stock based compensation plan been determined in the manner consistent with the fair value approach based on Black and Scholes model, the Company's net profit would be lower by ₹ **254 Million** (previous year: lower by ₹ 70 Million) and earnings per share as reported would be as indicated below:

₹ in Million except earnings per share

Particulars	**For the Year**	
	March 31, 2014	March 31, 2013
a) Profit after tax and before exceptional items (As reported)	**29,088**	12,878
b) Add: Exceptional Item – Income (refer note 61)	**1,200**	-
c) Net Profit (after exceptional item) (a + b)	**30,288**	12,878
d) Stock-based employee compensation expense determined under fair value base method	**(254)**	(70)
Adjusted net profit (before exceptional item) (a – d)	**28,834**	12,808
Adjusted net profit (after exceptional item) (c – d)	**30,034**	12,808
Basic earnings per share (in ₹) (before exceptional item)		
As reported	**125.09**	100.85
Adjusted	**124.00**	100.31
Diluted earnings per share (in ₹)		
As reported	**121.76**	96.68
Adjusted	**120.70**	96.16

₹ in Million except earnings per share

Particulars	For the Year	
	March 31, 2014	March 31, 2013
Basic earnings per share (in ₹) (After exceptional item)		
As reported	**130.25**	100.85
Adjusted	**129.16**	100.31
Diluted earnings per share (in ₹)		
As reported	**126.78**	96.68
Adjusted	**125.72**	96.16

The fair value of each option is estimated on the date of grant based on the following assumptions (on weighted average basis):

Particulars	**Year ended March 31, 2014**	Year ended March 31, 2013
Dividend yield (%)	**0.55**	0.55
Expected life	**4.33 Years**	5.11 Years
Risk free interest rate (%)	**8.46**	8.31
Volatility (%)	**36.91**	50.29

53. As required under Accounting Standard 18 "Related Party Disclosures" (AS – 18), following are details of transactions during the year ended March 31, 2014 with the related parties of the Group as defined in AS – 18.

a) List of Related Parties and Relationships

Name of Related Party	Relation
Mahindra & Mahindra Limited	Promoter/Enterprise having significant influence.
British Telecommunications Plc.	Promoter Company (refer note 44)
Mahindra-BT Investment Company (Mauritius) Limited	Promoter/Enterprise having significant influence.
Tech Mahindra Foundation	refer Note (i) below
TML Benefit Trust	Trust to hold the treasury stock (refer note 29)
Mahindra Satyam Foundation Trust (formerly Satyam Foundation Trust)	Enterprise where the Company is in a position to exercise control (refer Note(ii) below)
Satyam Associates Trust	Enterprise where the Company is in a position to exercise control (refer Note (ii) below)
Mahindra Educational Institutions	Enterprise where the Company is in a position to exercise control (refer Note (iii) below)
Vineet Nayyar Executive Vice Chairman (refer note (iv) below) C.P. Gurnani Managing Director (refer note (v) below)	Key Management Personnel

i. Section 25 Company not considered for consolidation

ii. Mahindra Satyam Foundation Trust and Satyam Associates Trust, though controlled by the Company, are not considered for the purpose of consolidation since, in the opinion of the Management; the objective of control over such entities is not to obtain economic benefits from their activities.

iii. On April 9, 2013, the Company incorporated Mahindra Educational Institutions under Section 25 of the Companies Act to promote education and research in different disciplines. Mahindra

Educational Institutions though controlled by the Company, are not considered for the purpose of consolidation since, in the opinion of the Management, the objective of control over such entities is not to obtain economic benefits from their activities.

iv. Appointed as Executive Vice Chairman w.e.f. 10th August 2012 (Vice Chairman and Managing Director till 9th August 2012)

v. Appointed as Managing Director w.e.f. 10th August 2012.

b) Related Party Transactions for the year ended March 31, 2014

₹ in Million

Nature of Transactions	Name of the party	For the year ended March 31, 2014	For the year ended March 31, 2013
Income from Services	Mahindra & Mahindra Limited	**153**	41
	British Telecommunications Plc.	**-**	10,755
	Satyam Computer Services Limited	**-**	1,003
Reimbursement of Expenses (Net)-Paid/ (Receipt)	Mahindra & Mahindra Limited	**(1)**	9
	British Telecommunications Plc.	**-**	(104)
	Satyam BPO Limited	**-**	(37)
	Satyam Computers Services Limited	**-**	(165)
	New vC Services Private Limited	**-**	(15)
	vCustomer Philippines,Inc	**-**	(0)
	Mahindra Educational Institutions	**(11)**	-
Subcontracting Cost	Satyam BPO Limited	**-**	255
	Satyam Computer Services(Shanghai) Co. Limited	**-**	5
	Satyam Computer Services Limited	**-**	804
	New vC Services Private Limited	**-**	9
Rent Expense	Mahindra & Mahindra Limited	**-**	-
	British Telecommunications Plc.	**-**	10
	Satyam Computer Services Limited	**-**	103
Rent Income	New vC Services Private Limited	**-**	7
	Satyam Computer Services Limited	**-**	13
Software/Hardware & project specific expenses	Satyam Computer Services Limited	**-**	270
Professional Services	Mahindra & Mahindra Limited	**17**	7
	British Telecommunications Plc.	**-**	10
Purchase of fixed Assets	Satyam Computer Services Limited	**-**	2
	New vC Services Private Limited	**-**	1
	Mahindra & Mahindra Limited	**20**	-
Interest on ICD/ Loan availed	Satyam Computer Services Limited	**-**	161
Dividend Paid	Mahindra & Mahindra Limited	**303**	243
	British Telecommunications Plc.	**-**	118
	Vineet Nayyar	**3**	3
	C. P. Gurnani	**2**	2
	Tech Mahindra Benefit Trust	**120**	-
	Mahindra-BT Investment Company (Mauritius) Limited	**0**	0
Trade Advances given	Mahindra & Mahindra Limited	**6**	-
Donations	Tech Mahindra Foundation	**324**	97
	Mahindra Educational Institutions	**20**	-
Other Income	Mahindra & Mahindra Limited	**0**	-
	TML Benefit Trust	**120**	-

₹ in Million

Nature of Transactions	Name of the party	For the year ended March 31, 2014	For the year ended March 31, 2013
Inter Corporate Deposit received	Satyam Computer Services Limited	-	2,500
Salary, Perquisites & Commission	Vineet Nayyar	37	56
	C. P. Gurnani	26	35
Investment Made	Mahindra Educational Institutions	0	-

₹ in Million

Balance as on	Name of the party	As at March 31, 2014	As at March 31, 2013
Short Term Borrowings	Satyam Computer Services Limited	-	2,500
Short Term Deposit Payable	Satyam Computer Services Limited	-	5
Trade Payables	Mahindra & Mahindra Limited	24	11
	Satyam Computer Services Limited	-	1,331
	Satyam BPO Limited	-	83
	Satyam Computer Services(Shanghai) Co. Limited	-	0
	New vC Services Private Limited	-	10
Trade Receivables Current	Mahindra & Mahindra Limited	69	26
	British Telecommunications Plc.	-	5,224
	Satyam Computer Services Limited	-	313
Trade Receivable Non-Current	Mahindra & Mahindra Limited	7	-
Contractual Obligation receivable	Mahindra & Mahindra Limited	3	-
Unbilled Revenue Receivable	Mahindra & Mahindra Limited	3	-
Long Term Loans	Satyam Associates Trust	28	-
Short Term Advance	Satyam Computer Services Limited	-	223
	Satyam BPO Limited	-	12
	New vC Services Private Limited	-	11
	vCustomer Philippines, Inc.	-	0
	Mahindra Educational Institutions	11	-
Long term Advances	Mahindra Educational Institutions	0	-
Payable to Key management personnel (Trade Payable)	Vineet Nayyar	11	11
	C. P. Gurnani	7	5
Donations Payable	Tech Mahindra Foundation	3	25

Stock options: Key Management Personnel

Particulars	Vineet Nayyar Executive Vice Chairman	C.P.Gurnani Managing Director
Options exercised during the year ended March 31, 2014	**500,000** [-]	**260,641** [-]
Options granted during the year ended March 31, 2014	**900,000** [-]	**900,000** [-]
Options granted and outstanding at the end of the year ended March 31, 2014	**2,392,567** [1,992,567]	**2,418,926** [1,842,567]

Figure in bracket "[ ]" are for the year ended March 31, 2013.

54. The tax effect of significant timing differences that has resulted in deferred tax assets are given below

₹ in Million

Particulars	As at March 31, 2013	Additions on amalgamation	(Charge) / asset created during the year ended March 31, 2014	As at March 31, 2014
Employee benefits	449	727	(41)	**1,135**
Doubtful Debts	447	130	439	**1,016**
Depreciation	410	(17)	1,171	**1,564**
Unabsorbed depreciation	-	1,128	(1,128)	**-**
Others	205	(3)	(87)	**115**
Total	1,511	1,965	355	**3,830**

55. Exchange gain/(loss)(net) accounted during the year

a) The Group enters into foreign Exchange Forward Contracts and Currency Option Contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian rupee. The counter party to the Group's foreign currency Forward Contracts and Currency Option Contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of certain forecasted transactions. Forward Exchange Contracts and Currency Option Contracts in UK Pound exposure are split into two legs, which are GBP to USD and USD to INR. These contracts are for a period between 1 day and 5 years.

b) The following are the various outstanding GBP: USD Currency Exchange Forward Contracts entered into by the Company which have been designated as Cash Flow Hedges:

Type of cover	Amount outstanding in Foreign currency (in Million)	Fair Value Gain / (Loss) (₹ in Million)
Forward	**GBP 157**	**(752)**
	(previous year: 246)	(previous year: 869)
	EUR 30	**(4)**
	(previous year :Nil)	(previous year: Nil)

The following are the outstanding foreign currency to INR Currency Exchange Forward Contracts entered into by the Group which have been designated as Cash Flow Hedges:

Type of cover	Amount outstanding in Foreign currency (in Million)	Fair Value Gain / (Loss) (₹ in Million)
Forward	**USD 933**	**(5,211)**
	(previous year: 1,058)	(previous year: (3,371))
	EUR 12	**(60)**
	(Previous Year Nil)	(Previous Year Nil)
	GBP 10	**(103)**
	(Previous Year Nil)	(Previous Year Nil)
Option	**USD 79**	**77**
	(previous year: Nil)	(previous year: Nil)

The movement in hedging reserve during the year ended March 31, 2014 for derivatives designated as Cash Flow Hedges is as follows:

₹ in Million

Particulars	**As at March 31, 2014**	As at March 31, 2013
Credit/(Debit) Balance at the beginning of the year	**(2,486)**	(3,535)
Add: Additions on account of amalgamation (refer note 29)	**197**	-
Add: Transfer due to amalgamation (pertaining to April 1, 2011 to March 31, 2013)	**(38)**	-
Initial Adoption of AS 30	**10**	-
Less: Gain/(Loss) transferred to income statement on occurrence of forecasted hedge transaction	**(843)**	(464)
Add: Changes in the fair value of effective portion of outstanding cash flow derivative	**(4,084)**	585
(Debit)/Credit Balance as at the end of the year	**(5,558)**	(2,486)

Effective from 1st April, 2013, one of the subsidiary, has applied hedge accounting principles in respect of forward exchange contracts as set out in Accounting Standard (AS) 30 – Financial Instruments: Recognition and Measurement. Accordingly, all such contracts outstanding as on March 31, 2014 that are designated as hedging instruments to hedge the foreign currency cash flow risk of certain firm commitments and forecast transactions are marked to market and the effective portion of notional gain arising on such contracts, has been directly recognized in the Hedging Reserve Account to be ultimately recognized in the Statement of Profit and Loss, depending on exchange rate fluctuations till and when the underlying forecasted transaction occurs. The profit for the year on account of this change is lower by ₹ 12 Million.

Net loss on derivative instruments of ₹ **2,414 Million** (previous year loss: ₹ 621 Million) recognised in hedging reserve as of March 31, 2014 is expected to be reclassified to the statement of Profit and Loss by March 31, 2015.

Exchange Loss of ₹ **843 Million** (previous year loss: ₹ 464 Million) on foreign exchange forward contracts and currency options contracts have been recognised in the year ended March 31, 2014.

c) As at March 31, 2014, the Group has net foreign exchange exposures that are not hedged by a derivative instruments or otherwise amounting to ₹ **36,976 Million** (previous year: ₹ 9,857 Million).

56. Earnings Per Share is calculated as follows:

₹ in Million except earnings per share

Particulars	**For the Year ended March 31, 2014**	For the Year ended March 31, 2013
Profit after taxation and before exceptional item	**29,088**	12,878
Add: Exceptional item - income (refer note 61)	**1,200**	-
Profit after taxation and exceptional item	**30,288**	12,878
Net Profit attributable to shareholders	**30,288**	12,878
Equity Shares outstanding at the end of the year (in nos.)	**233,472,886**	128,119,023
Weighted average Equity Shares outstanding at the end of the year (in nos.)	**232,530,102**	127,684,331
Weighted average number of Equity Shares used as denominator for calculating Basic Earnings Per Share	**232,530,102**	127,684,331
Add: Dilutive impact of employee stock options	**6,368,827**	5,512,406

₹ in Million except earnings per share

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Number of Equity Shares used as denominator for calculating Diluted Earnings Per Share	**238,898,929**	133,196,737
Nominal Value per Equity Share (in ₹)	**10**	10
Earnings Per Share Before Exceptional Item		
Earnings Per Share (Basic) (in ₹)		
Earnings Per Share (Diluted) (in ₹)	**125.09**	100.85
	121.76	96.68
Earnings Per Share After Exceptional Item		
Earnings Per Share (Basic) (in ₹)	**130.25**	100.85
Earnings Per Share (Diluted) (in ₹)	**126.78**	96.68

57. Current tax for the year ended March 31, 2014 is net off excess provision of ₹ **240 Million** (previous year 2013: ₹ 259 Million) of earlier year written back, no longer required.

Current tax for year ended March 31, 2014 includes provision of ₹ **223 Million** towards capital gain on deemed transfer of business in overseas branches on account of merger (previous year: ₹ Nil).

TechM and its Indian subsidiaries had calculated its tax liability under Minimum Alternate Tax (MAT) from financial year 2007-08. The MAT credit can be carried forward and set off against the future tax payable. In the current year ended March 31, 2014, TechM has calculated its tax liability under normal provisions of the Income Tax Act, 1961 and utilized the brought forward MAT credit of ₹ **5 Million** (previous year: ₹ 321 Million)

The Company has made provision towards current tax in respect of its domestic operations for the year ended March 31, 2014. Further, the Management has assessed the Company's tax position in respect of its overseas operations taking into account the relevant rules and regulations as applicable in the respective countries. Based on professional advice, it has determined that the provision made currently is adequate.

58. The Group makes provision for Claims and Warranties on a need based basis. The Group also provides warranty support to some of its customers as per the terms of the contracts. The details of provision for claims and warranties are as follows:

₹ in Million

Particulars	As at March 31, 2014	As at March 31, 2013
Opening balance	**113**	100
Additions on account of acquisitions/ amalgamation (refer note 29.2)	**70**	3
Provision made during the year	**491**	19
Reversal/utilisation made during the year	**(336)**	(2)
Payments	**(80)**	-
Amount recovered from subcontractor during the year	**-**	(7)
Closing balance	**258**	113

Note:
Provision for warranties is estimated and made based on technical estimates of the Management and is expected to be settled over the period of next one year.

59. Provision for contingencies

The Group carries a general provision for contingencies towards various claims made/anticipated against the Group based on the Management's assessment. The management estimates that same to be settled in 3-5 years. The details of the same are as follows:

₹ in Million

Particulars	As at March 31, 2014	As at March 31, 2013
Opening Balance	**-**	-
Additions on account of amalgamation (refer note 29.2)	**2,441**	-
Provision made during the year	**-**	-
Reversal/utilisation made during the year (Refer note 61)	**(1,200)**	-
Closing balance	**1,241**	-

60. In respect of equity shares issued by the company after the date of the Balance Sheet (i.e. 31st March 2013) pursuant to exercise of options by employees granted to them and before the book closure date for the Annual General Meeting, the Company has paid dividend of ₹ 0.70 Million and dividend tax thereon of ₹ 0.10 Million as approved by the shareholders in the Annual General Meeting held on September 26, 2013.

61. **Exceptional Item:**

The exceptional item (income) amounting to ₹ 1,200 Million represents write back during the current year of an estimated excess provision for contingencies provided in an earlier year by erstwhile Satyam, based on a re-evaluation of the same by the Management.

62. Revenue and Software, Hardware and Project Specific Expenses for the year ended March 31, 2014 include revenue and cost relating to one of the subsidiary of ₹ **1,108 Million** (previous year: ₹ 328 Million) and cost of ₹ **866 Million** (previous year: ₹ 217 Million) relating to sale and purchase of trading goods.

63. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the group financial statements.

64. Previous year's figures have been regrouped wherever necessary, to confirm to the classification for the year ended March 31, 2014.

For and on behalf of the Board of Directors

Anand G. Mahindra
Chairman

Vineet Nayyar
Executive Vice Chairman

C.P. Gurnani
Managing Director

Anupam Puri
Director

Bharat Doshi
Director

M. Damodaran
Director

M. Rajyalakshmi Rao
Director

T. N. Manoharan
Director

Ravindra Kulkarni
Director

Ulhas N. Yargop
Director

Milind Kulkarni
Chief Financial Officer

G. Jayaraman
Company Secretary

New York, USA
Dated: May 14, 2014

Statement pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to subsidiary companies

Sr. No.	Name of the Subsidiary Company	Country	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment other than investment in Subsidiary	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1	Tech Mahindra (Americas) Inc.	USA	USD	59.92	22.47	1,958.79	7,164.44	5,183.18	-	18,743.60	1,013.09	429.71	583.38	-
2	Tech Talenta Inc.	USA	USD	59.92	29.96	(3.79)	104.50	78.33	-	583.76	5.45	2.53	2.92	-
3	Tech Mahindra GmbH	Germany	EUR	82.43	47.40	430.19	757.08	279.49	-	1,195.12	60.47	-	60.47	-
4	Tech Mahindra (Singapore) Pte. Limited	Singapore	SGD	47.51	2.38	162.10	235.21	70.73	-	232.07	5.38	(2.47)	7.85	-
5	Tech Mahindra (Thailand) Limited	Thailand	THB	1.84	11.04	5.66	72.72	56.02	-	82.51	1.93	0.39	1.55	-
6	PT Tech Mahindra Indonesia	Indonesia	USD	59.92	29.96	668.63	924.08	225.50	-	1,112.02	196.94	65.36	131.58	-
7	Tech Mahindra (Malaysia) Sdn. Bhd.	Malaysia	RM	18.30	5.72	58.16	256.52	192.64	-	712.62	16.36	4.52	11.84	-
8	Tech Mahindra (Beijing) IT Services Limited	China	CNY	9.64	33.18	(18.94)	20.13	5.89	-	15.94	1.01	-	1.01	-
9	Tech Mahindra (Nigeria) Limited	Nigeria	NGN	0.36	55.09	223.06	1,169.99	891.84	-	1,184.94	244.37	89.37	155.00	-
10	Tech Mahindra (Bahrain) Limited S.P.C.	Bahrain	BHD	158.90	7.95	146.59	208.99	54.46	-	483.13	10.14	-	10.14	-
11	Tech Mahindra Business Services Limited. (formerly known as Hutchison Global Services Limited)	India	INR	1.00	10.00	3,329.94	5,115.73	1,775.79	2,394.77	7,751.47	1,125.14	365.88	759.27	-
12	Comviva Technologies Limited	India	INR	1.00	218.65	2,833.95	4,847.54	1,794.95	130.00	5,736.44	922.85	328.23	594.62	-
13	Comviva Technologies Inc.	USA	USD	59.92	6.26	3.41	33.42	23.75	-	110.49	3.50	-	3.50	-
14	Comviva Technologies Nigeria Limited	Nigeria	NGN	0.36	3.60	33.05	239.76	203.12	-	172.35	43.97	15.84	28.14	-
15	Comviva Technologies Singapore PTE. Ltd	Singapore	SGD	47.51	0.05	(2.59)	33.83	36.37	-	7.39	3.36	-	3.36	-
16	Comviva Technologies FZ-LLC	Dubai	AED	16.31	0.90	14.22	387.59	372.47	-	313.94	13.41	-	13.41	-
17	Tech Mahindra South Africa (Pty) Limited	South Africa	ZAR	5.66	0.00	(12.54)	18.09	30.62	-	0.01	12.40	-	12.40	-
18	Tech Mahindra BPO Limited (formerly known as Satyam BPO Limited)	India	INR	1.00	331.04	(653.59)	1,497.01	1,819.55	-	2,666.76	1,022.45	283.29	739.16	-
19	Satyam Computer Services (Shanghai) Co. Limited	China	CNY	9.64	991.17	(741.63)	391.89	142.35	-	185.18	11.67	-	11.67	-
20	Satyam Computer Services (Nanjing) Co. Limited	China	CNY	9.64	507.52	(456.05)	62.40	10.93	-	22.32	2.18	-	2.18	-
21	Tech Mahindra Technologies Inc. (formerly known as Satyam Technologies Inc.)	USA	USD	59.92	59.92	(13.09)	248.45	201.61	-	823.90	23.19	8.32	14.87	-
22	Knowledge Dynamics Pte. Ltd (refer note i below)	Singapore	SGD	47.51	-	-	-	-	-	-	-	-	-	-
23	Nitor Global Solutions Limited (refer note ii below)	UK	GBP	99.62	0.10	(0.10)	-	-	-	0.01	(0.17)	-	(0.17)	-
24	Satyam Computer Services (Egypt) S.A.E	Egypt	EGP	8.60	12.78	(105.53)	19.12	111.87	-	0.00	(0.32)	-	(0.32)	-
25	Citisoft Plc.	UK	GBP	99.62	11.20	151.69	216.76	53.87	-	384.49	10.32	-	10.32	-

Statement pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to subsidiary companies (Contd)

Sr. No.	Name of the Subsidiary Company	Country	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment other than investment in Subsidiary	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
26	Citisoft Inc.	USA	USD	59.92	0.29	219.69	407.60	187.62	-	1,250.36	65.41	27.53	37.88	-
27	Satyam Computer Services Belgium BVBA	Belgium	EUR	82.43	1,871.23	(1,518.11)	362.35	9.22	-	-	(18.05)	-	(18.05)	-
28	Bridge Strategy Group LLC (refer note iii below)	USA	USD	59.92	-	127.58	297.62	170.03	-	412.43	(24.79)	(0.38)	(24.41)	-
29	Satyam Venture Engineering Services Private Limited	India	INR	1.00	70.89	564.12	1,428.52	793.51	-	1,935.67	407.88	281.57	126.31	-
30	Satyam Venture Engineering Services (Shanghai) Co. Limited	China	CNY	9.64	9.58	(4.17)	13.65	8.24	-	17.14	(4.21)	-	(4.21)	-
31	vCustomer Services LLC	USA	USD	59.92	-	1,333.47	1,502.06	168.59	-	1,064.83	209.84	71.51	138.32	-
32	New vC Services Private Limited	India	INR	1.00	90.00	63.26	191.74	38.48	-	226.94	39.81	13.10	26.71	-
33	vCustomer Philippines Inc.	Philippines	PHP	1.34	12.94	153.33	203.81	37.54	-	412.71	51.71	-	51.71	-
34	vCustomer Philippines (Cebu) Inc.	Philippines	PHP	1.34	12.73	41.84	74.46	19.89	-	186.05	18.97	-	18.97	-
35	Tech Mahindra Servicos De Informatica LTDA (formerly known as Satyam Servicos De Informatica LTDA)	Brazil	BRL	26.61	523.83	(96.98)	593.43	166.58	-	464.54	(73.53)	-	(73.53)	-
36	Satyam Colombia Servicos De Informatica SAS	Colombia	COP	0.03	1.23	(0.13)	9.86	8.76	-	15.36	0.24	0.38	(0.13)	-
37	Complex IT Solution Consultoria em Informatica S.A.	Brazil	BRL	26.61	133.05	154.83	963.39	675.50	-	2,829.97	154.83	-	154.83	-
38	Tech Mahindra ICT Services (Malaysia) SDN. BHD.	Malaysia	RM	18.30	11.97	11.27	177.47	154.23	-	289.28	16.33	5.06	11.27	-
39	Tech Mahindra Foundation	India	INR	1.00	0.50	737.70	738.60	0.41	-	184.20	0.06	-	0.06	-
40	Mahindra Educational Institutions	India	INR	1.00	0.10	(9.50)	1.74	11.13	-	-	(29.50)	-	(29.50)	-

Notes:

i) Knowledge Dynamics Pte. Ltd has been liquidated/dissolved as per the laws of Singapore in the year ending March 31, 2013. The approval of the Reserve Bank of India (RBI) has been received in the year ended 31 Mar 2014.

ii) Nitor Global Solutions Limited has been dissolved and name has been struck-off from registrar of companies w.e.f. January 20, 2014.

iii) 100% membership interest in Bridge Strategy Group LLC has been sold vide agreement dated October 18, 2013

iv) Satyam Venture Engineering Services UK Limited was not operational and has been dissolved on January 7, 2014. It's name has been struck-off from the register of the Companies in United Kingdom.

v) The following subsidiaries have not been included in the above statement since there is no operation / investment in these companies as at March 31, 2014

a) Mahindra Satyam Servicios DE Informatica Sociedad Anonima Cerrada
b) Mahindra Satyam Servicios DE Informatica S.R.L.
c) Satyam Computer Services De Mexico S.DE R.L.DE C.V
d) Tech Mahindra IPR Inc.
e) Satyam Venture Engineering Services UK Limited.
f) Global ICT Investment Holdings Pte. Limited

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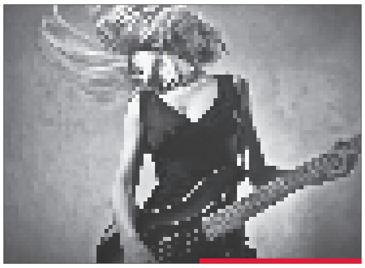

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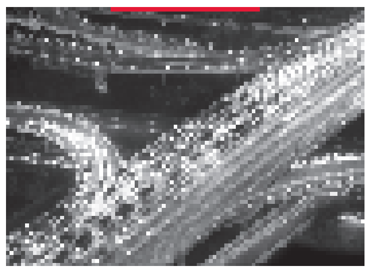

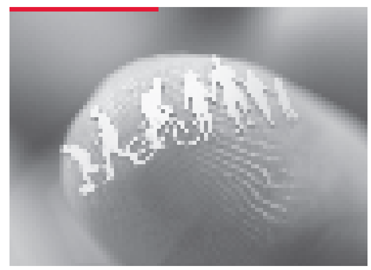

Tech Mahindra

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TECH MAHINDRA LIMITED

CIN: L64200MH1986PLC041370

Regd. Office: Gateway Building, Apollo Bunder, Mumbai - 400 001

NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the members of Tech Mahindra Limited will be held on Friday, the 1st day of August 2014 at 2.00 p.m. at Birla Matushri Sabhagar,19, Marine Lines, Mumbai - 400 020, India, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss for the year ended on that date and the Report of the Board of Directors and Auditors thereon.

2. To declare dividend for the financial year ended 31st March 2014.

3. To appoint a Director in place of Mr. Ulhas N. Yargop, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, [ICAI Registration No. 117366W/W-100018] as Auditors, who shall hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

Special Business:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made there under, Mr. Anupam P. Puri whose period of office is liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member along with the deposit of the requisite amount pursuant to Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be appointed as Independent Director to hold office for a term of five consecutive years commencing from 1st August 2014."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made there under, Mr. M. Damodaran whose period of office is liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member along with the deposit of the requisite amount pursuant to Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be appointed as Independent Director to hold office for a term of five consecutive years commencing from 1st August 2014."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made there under, Mr. Ravindra Kulkarni whose period of office is liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member along with the deposit of the requisite amount pursuant to Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be appointed as Independent Director to hold office for a term of five consecutive years commencing from 1st August 2014."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made there under, Mr. T. N. Manoharan whose period of office is liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member along with the deposit of the requisite amount pursuant to Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be appointed as Independent Director to hold office for a term of five consecutive years commencing from 1st August 2014."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made there under, Mrs. M. Rajyalakshmi Rao whose period of office is liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member along with the deposit of the requisite amount pursuant to Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be appointed as Independent Director to hold office for a term of five consecutive years commencing from 1st August 2014."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

    "RESOLVED THAT pursuant to the provisions of Section 197 (1) (ii) of the Companies Act, 2013 and pursuant to Article 112 (2) (ii) of the Articles of Association of the Company, a sum not exceeding one per cent per annum of the net profits of the Company, computed in the manner referred to in Section 198 of the Companies Act, 2013 be paid to and distributed amongst the Directors, other than the Managing Director and whole-time Director(s) of the Company or some or any of them, such amounts or at such proportions and in such manner and in all respects as may be determined by the Board of Directors as commission and such payments shall be made in respect of the profits of the Company for each financial year, for the period of five years commencing from 1st April, 2015."

11. To consider and if thought fit, to pass with or without modification the following resolution as a **Special Resolution:**

    "RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions of the Companies Act, 2013, including the relevant circulars and notifications issued by the Reserve Bank of India ("the RBI") and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme, Guidelines, 1999) ("the SEBI ESOP Guidelines") issued by Securities and Exchange Board of India on

Employee Stock Option and Stock Purchase Plans and the Memorandum and Articles of Association of Tech Mahindra Limited (“the Company”) and subject to the approval, consent, permission and/or sanction, if any, of the appropriate authorities/institution or bodies as may be necessary and subject to such terms and conditions as may be prescribed/imposed, consent of the Company, be accorded to the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof), to issue, offer and allot to any one or more or all of the permanent employees and directors of the Company (other than such employees, directors who are not entitled to stock options pursuant to the provisions of Companies Act, 2013 or SEBI ESOP Guidelines or such other laws, rules, regulations and / or amendments thereto from time to time), Options exercisable into equity shares of the Company and/or holder of the securities up to 4,000,000 (four million) (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time) of nominal value ₹ 10 each under a “Employee Stock Option Plan 2014” to be created by the Company for the benefit of employees and the directors, at an exercise price of not less than the face value of the equity shares of the Company on the terms and conditions as detailed in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board be, also authorized to issue and allot such number of equity shares within the limit as set above and may be required to be issued and allotted upon exercise of any Option or as may be necessary in accordance with the terms of the offering, all such shares ranking pari passu with the equity shares of the Company in all respects.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of equity shares or securities or instruments representing the same as described above, the Board and/or other designated officers of the Company be, authorized on behalf of the Company to do all such acts, deeds, matters and things as it/they may at its/their absolute discretion deem necessary or desirable for such purpose, including without limitation, filing necessary documents/statements with the Stock Exchanges, Statutory Authorities and other Agencies and such other regulatory authority as may be necessary for listing the Securities on the Stock Exchanges.

RESOLVED FURTHER THAT the Board be, also authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities or of Options giving rise to shares/ securities upon exercise and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of these resolutions.

RESOLVED FURTHER THAT the Board be, also authorized to delegate all or any of the powers herein conferred to any committee of directors to give effect to the aforesaid resolutions.

RESOLVED FURTHER THAT the Board of Directors, be and is, hereby also authorized to determine all other terms and conditions of the issue of the said Options as the Board may in its absolute discretion determine.

RESOLVED FURTHER THAT upon implementation of this scheme, the options available for grants, including future cancellation of granted options, if any, under the existing schemes ESOP 2000, ESOP 2004, ESOP 2006, ESOP 2010, TML ESOP B 2013 and TML RSU shall lapse.”

12. To consider and if thought fit, to pass with or without modification the following resolution as a **Special Resolution:**

    “RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions of the Companies Act, 2013, including the relevant circulars and notifications issued by the Reserve Bank of India ("the RBI") and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme, Guidelines, 1999) ("the SEBI ESOP Guidelines") issued by Securities and Exchange Board of India on Employee Stock Option and Stock Purchase Plans and the Memorandum and Articles of Association of Tech Mahindra Limited ("the Company") and subject to the approval, consent, permission and/or sanction, if any, of the appropriate authorities/institution or bodies as may be necessary and subject to such terms and conditions as may be prescribed/imposed, consent of the Company, accorded to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof), to issue, offer and allot to any one or more or all of the permanent employees and directors of subsidiary companies of the company whether in India or overseas (other than such employees, directors who are not entitled to stock options pursuant to the provisions of Companies Act, 2013 or SEBI ESOP Guidelines or such other laws, rules, regulations and / or amendments thereto from time to time), Options exercisable into equity shares of the Company and/or holder of the securities within and out of the Options as may be earmarked under a "ESOP 2014" pursuant to item no 11 of this notice, at an exercise price of not less than the face value of the equity shares of the Company on the terms and conditions as detailed in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board be, also authorized to issue and allot such number of equity shares within the limit as set above and may be required to be issued and allotted upon exercise of any Option or as may be necessary in accordance with the terms of the offering, all such shares ranking pari passu with the equity shares of the Company in all respects.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of equity shares or securities or instruments representing the same as described above, the Board and/or other designated officers of the Company be, authorized on behalf of the Company to do all such acts, deeds, matters and things as it/they may at its/their absolute discretion deem necessary or desirable for such purpose, including without limitation, filing necessary documents/statements with the Stock Exchanges, Statutory Authorities and other Agencies and such other regulatory authority as may be necessary for listing the Securities on the Stock Exchanges.

RESOLVED FURTHER THAT the Board be, also authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities or of Options giving rise to shares/ securities upon exercise and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of these resolutions.

RESOLVED FURTHER THAT the Board be, also authorized to delegate all or any of the powers herein conferred to any committee of directors or any executive director or directors or any other officer or officers of the Company to give effect to the aforesaid resolutions.

RESOLVED FURTHER THAT the Board of Directors, be also authorized to determine all other terms and conditions of the issue of the said Options as the Board may in its absolute discretion determine."

13. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

    "RESOLVED THAT pursuant to the provisions of Clause 49(VII) of the equity Listing Agreement as contained in SEBI circular CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014, the consent of the Company be accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to enter into related party transaction(s) with Tech Mahindra (Americas) Inc. USA, a wholly owned subsidiary of the Company, which are commercial transactions in the ordinary course of the business and are at arm's length, being material in nature as detailed in the explanatory statement to the Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution."

By Order of the Board
For Tech Mahindra Limited

Place: Mumbai — G. Jayaraman
Date: June 27, 2014 — Company Secretary

Notes:

a. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 29th day of July, 2014 to Friday, the 1st day of August, 2014 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend, to be declared.

b. Explanatory Statement as required under Section 102(2) of the Companies Act, 2013 is annexed.

c. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

d. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.

e. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.

f. The Company's Registrar and Transfer Agents for its share registry work (Physical and Electronic) are Link Intime India Private Limited (RTA).

g. Members can avail of the facility of nomination in respect of securities held by them in physical form pursuant to the provision of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed duly filled-in to RTA. Members holding shares in electronic mode may contact their respective Depository Participant (DP) for availing this facility.

h. Members are requested to

- intimate to the DP, changes, if any, in their registered addresses and/or changes in their bank account details, if the shares are held in dematerialized form.
- intimate to the Company's RTA, changes if any, in their registered addresses, in their bank account details, if the shares are held in physical form (share certificates).
- consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.

- Dematerialize their Physical Shares to Electronic Form (Demat) to eliminate all risks associated with Physical Shares. Our Registrars and Transfer Agents viz., Link Intime India Private Limited, Pune (Tel. No. 020 26160084) may be contacted for assistance, if any, in this regard.

i. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories for payment of dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/change in such bank details.

j. Members are requested to refer to the Corporate Governance Report for information in connection with the unpaid / unclaimed dividend liable to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government.

k. Appointment/re-appointment of Directors: A profile containing information to be provided under Clause 49 of the Listing Agreement pertaining to the Directors being appointed/re-appointed is attached with the Notice of Annual General Meeting. Members are requested to kindly refer to the same. None of the Directors being appointed/re-appointed are inter-se related with any other Director of the Company.

l. In order to save the natural resources Members are requested to register their e-mail address/addresses with the Depository Participants, if the shares are held in dematerialized form and with the Company's Registrar & Transfer Agent if the shares are held in physical form, in case you have not registered your email ids till now.

m. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35 B of the Listing Agreement executed by the company with the BSE Limited and the National Stock Exchange of India Limited, the company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Ltd (CDSL).

A member may exercise his votes at any General Meeting by electronic means and company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.

During the e-voting period, members of the company holding shares either in physical form or dematerialised form, as on the cut off date i.e., June 30, 2014, may cast their votes electronically.

The e-voting period commences at 9.00 am on Saturday 26th July, 2014 and ends at 6.00 pm on Monday 28th July, 2014. The e-voting module shall be disabled by CDSL for voting thereafter.

Once the vote on a resolution is cast by a shareholder, the shareholder shall not be allowed to change it subsequently.

A copy of this notice has been placed on the website of the Company and the website of CDSL.

Mr. Jayavant B. Bhave, Practicing Company Secretary (FCS: 4266 CP: 3068) and Partner M/s. JDNASSA & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.

The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.techmahindra.com and on the website of CDSL within two (2) days of passing of the resolution at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.

The process and instructions for e-voting are as under :

(i) Log on to the e-voting website www.evotingindia.com during the voting period

(ii) Click on "Shareholders" tab.

(iii) Now, select **"Tech Mahindra Limited"** from the drop down menu and click on **"SUBMIT"**

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

d. Next enter the Image Verification Code / Captcha Code as displayed and Click on Login.

e. If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company/entity, then your existing password is to be used. If you are a first time user follow the steps given below.

(v) Now, fill up the following details in the appropriate boxes:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (in Capital) (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the Bank records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Bank records for the said demat account or folio. # Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter **the number of shares held by you as on the cut off date** in the **Dividend Bank details field.**

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.

(x) Click on the relevant EVSN of Tech Mahindra Limited on which you choose to vote.

(xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then enter the User ID and image verification code / Captcha Code and click on Forgot Password & enter the details as prompted by the system.

(xvii) A. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporates.

B. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

C. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

D. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

E. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

I. Please follow all steps from sl.no. (i) to sl.no. (xvii) above to cast vote.

II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS AS REQUIRED BY SECTION 102 (2) OF THE COMPANIES ACT, 2013

Item No. 5 to 9

Mr Anupam P Puri, Mr M Damodaran, Mr Ravindra Kulkarni, Mr T N Manoharan and Mrs Rajyalakshmi Rao are serving on the Board of your company as Independent Directors in compliance to the Clause 49 of the Listing Agreement with NSE and BSE.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, your company needs to have at least one third of the total number of directors as Independent Directors. The Independent Directors appointed herein shall not be liable to retire by rotation.

Based on the disclosures received from each of these Directors, the Board satisfied that each of these Directors meets the criteria for independence as laid down in Section 149(6) of the Companies Act, 2013 and they are not disqualified as contemplated under Section 164 of the Companies Act, 2013.

A detailed profile of each of these five directors as required under Clause 49 IV(G) of the Listing Agreement is attached to this Notice.

Mr M Damodaran and Mr Ravi Kulkarni hold 20,000 equity shares and 1,037 equity shares of the company respectively. Mr Anupam P Puri, Mr T N Manoharan and Mrs Rajyalakshmi Rao do not hold the equity shares of the company.

Your Directors commend this resolution for approval of the shareholders as an ordinary resolution.

Mr Anupam P Puri, Mr M Damodaran, Mr Ravindra Kulkarni, Mr T N Manoharan and Mrs Rajyalakshmi Rao are concerned or interested in their respective resolutions pertaining to their appointment.

Item No. 10

Pursuant to Article 112 (2) (ii) of the Articles of Association of the Company, a Director of the Company who is neither in the whole-time employment nor a Managing Director of the Company may be paid remuneration by way of commission as per the provisions of the Companies Act.

The Members at the Annual General Meeting of the Company held on 12th August 2011, had approved a Special resolution for payment of commission not exceeding 1% per annum of the net profits of the Company to the Directors of the Company who are neither in the whole-time employment nor Managing Director in respect of the profits of the Company for each financial year for a period of five years commencing 1st April 2010, pursuant to provisions of Section 309 (4) (b) of the Companies Act, 1956.

Pursuant to the provisions of Section 197 (1) (ii) of the Companies Act, 2013 it is proposed to authorise the payment of commission to the Directors of the Company who are neither in the whole-time employment nor Executive Directors or Managing Director upto 1% per annum of the net profits of the Company, for each of further five years commencing from 1st April 2015.

Pursuant to provisions of Sections 197, 198 and other applicable provisions of the Companies Act, 2013, the approval of the members is requested for the payment of commission to all Non-Executive Directors of the Company.

Your Directors commend this resolution for approval of the shareholders as a special resolution.

All Directors, except Mr. Vineet Nayyar, Executive Vice Chairman, Mr. C.P. Gurnani, Managing Director and Key Managerial Personnel, may be deemed to be concerned or interested in the resolution.

Item No. 11 & 12

The IT/ITES industry is people intensive and your Company believes that Human Resources play vital role in the growth of the Company and its sustainability. With an objective to attract and retain the best talent, the Company has proposed the "Employee Stock Option Plan 2014" exercisable into Equity shares in compliance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the SEBI guidelines), as per the details given below:

The total number of Options to be granted	Not exceeding 4,000,000 (Four Millions) Options (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time).
Identification of classes of employees entitled to participate in the plan	Applicable to: a) All the permanent employees of the Company and the directors other than such employees, directors who are not entitled to stock options pursuant to the provisions of Companies Act, 2013 or SEBI ESOP Guidelines or such other laws, rules, regulations and / or amendments thereto from time to time, pursuant to resolution 11; b) All the permanent employees of the subsidiary companies and the directors other than such employees, directors who are not entitled to stock options pursuant to the provisions of Companies Act, 2013 or SEBI ESOP Guidelines or such other laws, rules, regulations and / or amendments thereto from time to time, pursuant to resolution 12.
Requirements of vesting and period of vesting	As may be determined by the Compensation & Nominations Committee in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
Maximum period within which the Options shall be vested	As may be determined by the Board/ Compensation & Nominations Committee in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
Exercise price or pricing formula	Not less than the face value of the equity shares or such other price as may be determined by the Board/ Compensation & Nominations Committee calculated in accordance with the applicable statutory rules, regulations, guidelines and laws, on the date of grant.
Exercise period and process of exercise	The Options granted under the plan shall be exercisable at such times and under such conditions as determined by the Compensation & Nominations Committee of Directors from time to time, subject to minimum vesting period of one year from the date of grant. The process of exercise involves written or electronic notice of exercise along with exercise price in full for number of options exercised.

The appraisal process for determining the eligibility for grant of Options	As may be decided by the Compensation & Nominations Committee with the recommendation of Advisory Council or such other designated body in accordance with the plan.
Maximum number of Options to be issued	The maximum number of options per Employee/director shall not exceed 10% in any financial year and 25% in aggregate, of the total number of Options reserved under plan.

In case the employee compensation cost is calculated using the intrinsic value of the Options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the directors' report and also impact of this difference on profits and on EPS of the Company shall also be disclosed in the directors' report.

Company shall use one of the applicable methods (intrinsic value or fair value) to value the Options.

In the context of the above, the Company shall conform to the accounting policies specified by SEBI as per the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 from time to time.

It is proposed that upon implementation of this scheme, the options available for grants, including future cancellation of granted options, if any, under the existing schemes ESOP 2000, ESOP 2004, ESOP 2006, ESOP 2010, TML ESOP B 2013 and TML RSU shall lapse.

The Board of Directors recommends the resolutions set out at Item No.11 & 12 of the accompanying Notice for approval of the members.

The directors and Key Managerial Personnel other than (i) promoter directors (ii) those directors if any, holding directly or indirectly more than 10% of the outstanding equity shares of the Company and (iii) independent directors, shall be deemed to be interested in passing of the resolution.

Item No.13

Pursuant to the provisions of Section 188 of the Companies Act, 2013 ('the Act') which has become effective on 1st April 2014, read with the Companies (Meeting of Board and its Powers) Rules, 2014 the Related Party Transactions beyond the threshold limit prescribed need Shareholders prior approval by a special resolution. However, if the proposed transactions with the related parties are at arm's length and in its ordinary course of business, the said approval of the shareholders is not required.

Further, SEBI circular CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 vide revised Clause 49(VII) of listing agreement effective from 1st October, 2014 has prescribed that all related party transactions shall require prior approval of the Audit Committee and all material transactions with related party shall require approval of the Shareholders of the Company through special resolution and the related parties shall abstain from voting on such resolutions. "Material Transaction" means any transaction entered either individually or taken together with previous transactions during a financial year, exceeds five percent of the annual turnover or twenty percent of the net worth of the company as per the last audited financial statements of the company, whichever is higher.

Tech Mahindra (Americas) Inc., USA, (TAI) a wholly owned subsidiary of the Company. TAI was incorporated in November 1993 to provide marketing support services for the USA and Canada region. It acts as a service provider for sales, marketing, onsite software development and other related services. The Company enters into commercial transactions with TAI on an ongoing basis at arm's length. The Audit Committee has approved all related party transactions which were placed before it in its meeting held on 13th May, 2014 and these transactions were in the ordinary course of business & are at arm's length.

Since the transactions with TAI though are in the ordinary course of business and at arm's length, being material in accordance with the SEBI circular, it is proposed for the approval of the members.

Your Directors commend the special resolution for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested in the said resolution except as given below.

- Mr. Vineet Nayyar and Mr. Ulhas N. Yargop being directors on both the Companies shall be treated as related parties;
- Mr. Milind Kulkarni, CFO of the Company and Director of the TAI shall be treated as related parties;
- Mahindra & Mahindra Limited, Promoters of the Company shall be treated as related party in accordance with Section 2(76)(viii) of the Companies Act, 2013.

By Order of the Board
For Tech Mahindra Limited

Place: Mumbai
Date: June 27, 2014

G. Jayaraman
Company Secretary

DETAILS PURSUANT TO CLAUSE 49 IV (G) (i) OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

Mr. Ulhas N Yargop

Non-Executive Director

Mr. Ulhas N. Yargop is a Director of the Company. Mr. Ulhas joined the Mahindra & Mahindra Group in 1992 as General Manager - Corporate Planning. He later moved to the Automotive Sector as General Manager - Product Planning and was responsible for the product management function for automotive products.

In 1994, Mr. Ulhas was appointed General Manager, Mahindra-Ford Project and led the Mahindra & Mahindra team working on the joint venture project with Ford Motor Company. In 1996, he was appointed Treasurer and assumed responsibility for Corporate Finance.

Since 1999, Mr. Ulhas has been the President for Telecom and Software Sector and a member of the Group Management Board.

He holds a B.Tech. degree from the Indian Institute of Technology, Chennai and an MBA degree from the Harvard Business School.

Mr Anupam P Puri

Director

Mr. Anupam Puri is a Non-Executive Independent Director of the Company. Mr. Anupam was a management consultant with McKinsey for 30 years, working with companies, governments and multilateral agencies on strategy and organization. He founded McKinsey's practice in India. Since 2000, he has served as Non Executive Director of several Indian companies.

He has done his B.A. in Economics from Delhi University and holds M.A and M. Phil Degrees in Economics from Oxford University.

Mr. M Damodaran

Director

Mr. M Damodaran is a Non-Executive Independent Director of the company. He has served as the Chairman of Securities and Exchange Board of India (SEBI). Mr. Damodaran was instrumental in setting the pace for appropriate regulation of the securities market in India. His initiatives at SEBI have resulted in India's financial markets being recognized as one of the best regulated in the world.

His prior appointments include Chairman of IDBI and Chairman of UTI. Earlier, he was the Joint Secretary (Banking Division), Ministry of Finance for five years. He was also a member of the Indian Administrative Service and has served as the Chief Secretary, Government of Tripura, apart from various assignments with the Central Government at the Ministry of Finance, Ministry of Commerce and Ministry of Information & Broadcasting.

Mr. Damodaran holds degrees in Economics and Law from the Universities of Madras and Delhi.

Mr. Ravindra Kulkarni

Director

Mr. Ravindra Kulkarni is a Non-Executive Independent Director of the Company. He is a Senior Partner in Khaitan & Co. Advocates and a member of the Bar Council of Maharashtra and Goa. He has immense experience in all aspects of corporate law, mergers and acquisitions, cross-border transactions in Capital Markets, Securities Law, Restructuring, Foreign Collaboration etc.

Mr. Ravindra Kulkarni is on the board of various listed companies in India and advises several large Indian and multinational clients in various business sectors.

Mr T N Manoharan

Director

Mr. T. N. Manoharan is a Non-Executive Independent Director of the Company. He was nominated by the Government of India to the Board of Satyam Computer Services Ltd. He made significant contribution towards the revival of the erstwhile Mahindra Satyam within a short span of time.

Mr. Manoharan served as the President of ICAI during 2006-07 and was instrumental in charting the road map for several accounting reforms in the Indian System and pioneered proactive amendments to the Chartered Accountants Act, 1949. Mr. Manoharan was the Chairman of ICAI of Accounting Research Foundation. He was on the Board of the Insurance Regulatory and Development Authority (IRDA) and on the committees constituted by Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Comptroller and Auditor General of India (C&AG) and Central Board of Direct Taxes (CBDT) during 2006-07.

Mr. Manoharan is at present the Chairman of the National Committee on Accounting Standards and Taxation of the Confederation of Indian Industry. He is a member of the Appellate Authority, and of the working group constituted by International Accounting Standards Board (ISAB) for making recommendations on "IFRS for SMEs".

Mr. Manoharan has been conferred the "Life Time Achievement" award in 2005 and "For the Sake of Honour" award in 2007 by the Rotary International and the "Super Achiever" award in 2006 by the Lions International. He received the "Business Leadership Award" from NDTV Profit in 2009 and the CNN IBN "Indian of the Year 2009" award in the Business category. The Government of India conferred him the "Padma Shri" award for in 2010.

Mrs M Rajyalakshmi Rao

DIRECTOR

Mrs. M. Rajyalakshmi Rao is a Non-Executive Independent Director of the Company. She holds an MBA in Marketing and MS (Advertising) from the University of Illinois, Urbana- Champaign, USA. She has served as a full-time member of the National Consumer Disputes Redressal Commission, Government of India. She is the author of two books on consumer movement - Consumer Is King and Consumer Rights and You. She has also served as a member of the Reserve Bank of India (RBI) Committee on Customer Service in Banks. She has been a member of the Film Censor Board and the President of the American Alumni Association in Mumbai.

TECH MAHINDRA LIMITED

CIN: L64200MH1986PLC041370
Registered Office: Gateway Building, Apollo Bunder, Mumbai - 400 001

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

ATTENDANCE SLIP

DP ID.		Folio No/Client Id		No of Shares	

NAME OF THE SHAREHOLDER:

NAME OF THE PROXY :

I hereby record my/our presence at the 27TH ANNUAL GENERAL MEETING of the Company held on Friday, August 01, 2014 at 2.00 p.m. at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai - 400 020.

Signature of the Shareholder/Proxy : ....

(Only shareholders/proxies are allowed to attend the meeting)

TECH MAHINDRA LIMITED

CIN: L64200MH1986PLC041370
Registered Office: Gateway Building, Apollo Bunder, Mumbai - 400 001

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :		E-mail ID :	
Registered address :		Folio No./client ID :	
		DP ID :	

I / We being the member(s) of .... shares of Tech Mahindra Limited, hereby appoint -

1) .... of .... having email id .... or failing him

2) .... of .... having email id .... or failing him

3) .... of .... having email id .... or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27TH ANNUAL GENERAL MEETING of the Company to be held on Friday, August 01, 2014 at 2.00 p.m. at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai - 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above proxy to vote in the manner as indicated in the box below: **(This is optional)**

(Please put a (✓) in the appropriate column as indicated below. If you leave columns blank in any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.)

Resolution No.	Subject Matter of the Resolution	For	Against
1	Adoption of Annual Accounts and Reports thereon for the year ended 31st March 2014.		
2	Declaration of dividend for the financial year ended 31st March 2014.		
3	Re-appointment of Mr. Ulhas N. Yargop as Director.		
4	Appointment of M/s. Deloitte Haskins & Sells LLP as Auditors.		
5	Appointment of Mr. Anupam Puri as Independent Director for a term of five years w.e.f. 1st August 2014.		
6	Appointment of Mr. M. Damodaran as Independent Director for a term of five years w.e.f. 1st August 2014.		
7	Appointment of Mr. Ravindra Kulkarni as Independent Director for a term of five years w.e.f. 1st August 2014.		
8	Appointment of Mr. T. N. Manoharan as Independent Director for a term of five years w.e.f. 1st August 2014.		
9	Appointment of Mrs. M. Rajyalakshmi Rao as Independent Director for a term of five years w.e.f. 1st August 2014.		
10	Special Resolution for approving payment of commission under Section 197 of the Companies Act, 2013 upto 1% per annum of the net profits of the Company to non-executive directors for the period of five years commencing from 1st April 2015.		
11	Special Resolution for approving Employee Stock Option Plan 2014 for the benefit of employees and directors.		
12	Special Resolution for approving Employee Stock Option Plan 2014 for the benefit of employees of the subsidiary companies and directors.		
13	Special Resolution for authorizing Board of directors to enter into related party transaction(s) as per Clause 49(VII) of the equity listing agreement as contained in SEBI Circular CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014.		

Signed this .... day of 2014

Affix
₹ 1
Revenue
Stamp

Signature of shareholder across Revenue Stamp

Signature of first proxy holder | Signature of second proxy holder | Signature of third proxy holder

Notes:

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.

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FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges (Pursuant to Clause 31(a) of the Listing Agreement for Equity)

1.	Name of the Company	Tech Mahindra Limited ("TechM" or the Company")
2.	Annual Standalone Financial Statements for the year ended	March 31, 2014
3.	Type of Audit observation	Qualification and Emphasis of Matter
4.	Frequency of observation	1st year as effect of merger with erstwhile Satyam Computer Services Limited (Satyam) is w.e.f. June 24, 2013.
5.	Draw attention to relevant notes in the Annual Standalone Financial statements and management response to the qualification in the directors report:	**- Qualification:** As stated in Note 27.3 of the Annual Standalone Financial Statements (refer page no. 86 of the annual report), the alleged advances to the erstwhile Satyam, amounting to Rs. 12,304 Million (net) relating to prior years has been presented separately under "Amounts Pending Investigation Suspense Account (Net)" in the Balance Sheet. The details of these claims and the related developments are more fully described in the said Note. Further, as stated in the said Note, the Company's Management is of the view that the claim regarding repayment of the alleged advances not being legally tenable has been reinforced in view of the developments described in the said Note including based on legal opinion. However, pending the final outcome of the recovery suit filed by the 37 companies in the City Civil Court and the Enforcement Directorate matter under the Prevention of Money Laundering Act pending before the Honourable 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. Also, in the opinion of the Company's Management, even if the principal amounts of such claims are held to be tenable and the Company is required to repay these amounts, such an eventuality should 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. **In the absence of complete / required information, and since the matter is sub-judice, the auditors of Tech Mahindra Limited are unable to comment on the accounting treatment/ adjustments/disclosures relating to the aforesaid alleged advances amounting to Rs. 12,304 Million (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 statements. However, in the eventuality of any payment upto Rs. 12,304 Million, against the**

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Tech Mahindra Limited

aforesaid claims for the principal amounts of the alleged advances, there should be no impact on the profits \ losses or reserves of the Company.

- Emphasis of Matter:

The auditors of Tech Mahindra Limited have drawn attention to the following matters:

(a) Notes 27.1 and 27.2 of the Annual Standalone Financial Statements (refer page no. 84 and 85 of the annual report) - In respect of the financial irregularities in the erstwhile Satyam relating to prior years identified consequent to the letter dated January 7, 2009 of the then Chairman of erstwhile Satyam, various regulators/investigating agencies initiated their investigations and legal proceedings, which are ongoing.

Further, based on the forensic investigation, an aggregate amount of Rs. 11,393 Million (net debit) was identified in the financial statements of erstwhile Satyam as at 31st March, 2009 under "Unexplained Differences Suspense Account (Net)" due to non-availability of complete information. On grounds of prudence, these amounts had been provided for by erstwhile Satyam in the financial year ended 31st March, 2009. As there is no further information available with the Management even after the lapse of more than three years, the said amount of Rs. 11,393 Million has been written off in the books of the Company during the year ended 31st March, 2014.

The Company's 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.

(b) In respect of the non-compliances/breaches in the erstwhile Satyam relating to certain provisions of the Companies Act, 1956, certain employee stock option guidelines issued by the Securities Exchange Board of India and certain matters under the provisions of FEMA, observed in the prior years under its erstwhile management (prior to the appointment of Government nominated Board).

As per the Company's Management, any adjustments, if required, in the financial statements of the Company would be made as and when the outcomes of the above matters are concluded.

(c) Note 25.5 of the Annual Standalone Financial Statements (refer page no. 84 of the annual report) - Appeals against the order by the single judge of the Honourable High Court of Andhra Pradesh approving the Scheme of merger have been filed by 37

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Tech Mahindra Limited

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.

(d) As stated in Note 30.5.2.v of the Annual Standalone Financial Statements (refer page no. 92 of the annual report), erstwhile Satyam was carrying a total amount of Rs. 4,989 Million (net of taxes paid) as at 31st March, 2013 (that is, 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 Company's 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. 2,266 Million determined based on such evaluation in respect of the prior years has been written back during the current year. The Company's Management is of the view that the balance provision for taxation carried in the books with respect to the prior year disputes relating to erstwhile Satyam is adequate.

The opinion of the auditors of Tech Mahindra Limited is not qualified in respect of these matters.

Management response to the qualification (refer page no. 12 of the annual report):

Consequent to the letter of the erstwhile Chairman, on January 8, 2009, 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. 12,304 Million 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 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. 8,220 Million for a period of 150 days. This attachment was initiated consequent to the charge

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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. 8,220 Million 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 thirty seven 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.

Some petitions (except in the case of one petition where court fees have been paid and the pauper petition converted into a suit which is pending disposal), are before the Court, at the stage of rejection / trial of pauperism.

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.

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		They contended that without convening a meeting of the creditors and hearing their objections, the merge 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 company received summons dated 26th February 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. 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

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		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.
6	Additional comments from the board / audit committee chair:	The qualification / most of the emphasis of matters flows from the qualifications / emphasis of matter in erstwhile Satyam's financial statements as a result of fraud committed by the previous management of the erstwhile Satyam before it was acquired by the new management in April 2009 pursuant to the auction process carried out by the Government of India nominated Board of Directors.
7.	To be signed by- • Mr. C .P. Gurnani Chief Executive Officer / Managing Director • Mr. Milind Kulkarni Chief Financial Officer • Mr. T. N. Manoharan Audit Committee Chairman • Auditor of the company	 **Place: Pune** **Date: July 3, 2014** Refer our Audit Report dated May 14, 2014 on the Standalone financial statements of the Company **For DELOITTE HASKINS & SELLS LLP** **Chartered Accountants** **(Firm's Registration No. 117366W/W-100018)** **Hemant M. Joshi** **Partner** **(Membership No. 38019)** **Place: Pune** **Date: July 3, 2014**

Tech Mahindra Limited

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FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges (Pursuant to Clause 31(a) of the Listing Agreement for Equity)

1.	Name of the Company	Tech Mahindra Limited ("TechM" or the Company")
2.	Annual Consolidated Financial Statements for the year ended	March 31, 2014
3.	Type of Audit observation	Qualification and Emphasis of Matter
4.	Frequency of observation	Since last 4 years i.e. FY 2010-11.
5.	Draw attention to relevant notes in the Annual Consolidated Financial statements and management response to the qualification in the directors report:	**- Qualification:** As stated in Note 31.3 of the Annual Consolidated Financial Statements (refer page no. 162 of the annual report), the alleged advances to the erstwhile Satyam, amounting to Rs. 12,304 Million (net) relating to prior years has been presented separately under "Amounts Pending Investigation Suspense Account (Net)" in the Balance Sheet. The details of these claims and the related developments are more fully described in the said Note. Further, as stated in the said Note, the Company's Management is of the view that the claim regarding repayment of the alleged advances not being legally tenable has been reinforced in view of the developments described in the said Note including based on legal opinion. However, pending the final outcome of the recovery suit filed by the 37 companies in the City Civil Court and the Enforcement Directorate matter under the Prevention of Money Laundering Act pending before the Honourable 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. Also, in the opinion of the Company's Management, even if the principal amounts of such claims are held to be tenable and the Company is required to repay these amounts, such an eventuality should 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. **In the absence of complete / required information, and since the matter is sub-judice, the auditors of Tech Mahindra Limited are unable to comment on the accounting treatment/ adjustments/disclosures relating to the aforesaid alleged advances amounting to Rs. 12,304 Million (net) and the related claims for damages/ compensation/interest, which may become necessary as a result of the ongoing legal proceedings and the consequential**

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Tech Mahindra Limited

impact, if any, on these financial statements. However, in the eventuality of any payment upto Rs. 12,304 Million, against the aforesaid claims for the principal amounts of the alleged advances, there should be no impact on the profits \ losses or reserves of the Company.

- **Emphasis of Matter:**

The auditors of Tech Mahindra Limited have drawn attention to the following matters:

(a) Notes 31.1 and 31.2 of the Annual Consolidated Financial Statements (refer page no. 161 of the annual report) - In respect of the financial irregularities in the erstwhile Satyam relating to prior years identified consequent to the letter dated January 7, 2009 of the then Chairman of erstwhile Satyam, various regulators/investigating agencies initiated their investigations and legal proceedings, which are ongoing.

Further, based on the forensic investigation, an aggregate amount of Rs. 11,393 Million (net debit) was identified in the financial statements of erstwhile Satyam as at 31st March, 2009 under "Unexplained Differences Suspense Account (Net)" due to non-availability of complete information. On grounds of prudence, these amounts had been provided for by erstwhile Satyam in the financial year ended 31st March, 2009. As there is no further information available with the Management even after the lapse of more than three years, the said amount of Rs. 11,393 Million has been written off in the books of the Company during the year ended 31st March, 2014.

The Company's 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.

(b) In respect of the non-compliances/breaches in the erstwhile Satyam relating to certain provisions of the Companies Act, 1956, certain employee stock option guidelines issued by the Securities Exchange Board of India and certain matters under the provisions of FEMA, observed in the prior years under its erstwhile management (prior to the appointment of Government nominated Board).

As per the Company's Management, any adjustments, if required, in the financial statements of the Company would be made as and when the outcomes of the above matters are concluded.

(c) Note 29.5 of the Annual Consolidated Financial Statements (refer page no. 160 of the annual report) - Appeals against the order by

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the single judge of the Honourable 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.

(d) As stated in Note 35.3.v of the Annual Consolidated Financial Statements (refer page no. 168 of the annual report), erstwhile Satyam was carrying a total amount of Rs. 4,989 Million (net of taxes paid) as at 31st March, 2013 (that is, 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 Company's 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. 2,266 Million determined based on such evaluation in respect of the prior years has been written back during the current year. The Company's Management is of the view that the balance provision for taxation carried in the books with respect to the prior year disputes relating to erstwhile Satyam is adequate.

(e) In the case of one of the subsidiaries of the Company whose financial statements/ financial information reflect total assets (net) of Rs. 1,196 Million as at 31st March 2014, total revenues of Rs. 1,295 Million and net cash outflows amounting to Rs. 139 Million for the year ended on that date 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 31st March 2012 and 31st March, 2013 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 31st March 2013 have been drawn up incorporating the opening balances based on the financial statements for the year ended 31st March 2012 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.

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- **Other Matters**

The consolidated financial statements include the unaudited financial statements of 4 subsidiaries and 1 jointly controlled entity, whose financial statements reflect total assets (net) of Rs. Nil as at 31st March 2014, total revenue of Rs. 412 million and net cash inflows amounting to Rs. 61 Million for the year ended on that date, as considered in the consolidated financial statements. Our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and jointly controlled entity is based solely on such unaudited financial statements/financial information.

The opinion of the auditors of Tech Mahindra Limited is not qualified in respect of these matters.

Management response to the qualification (refer page no. 12 of the annual report):

Consequent to the letter of the erstwhile Chairman, on January 8, 2009, 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. 12,304 Million 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 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. 8,220 Million 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. 8,220 Million 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

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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 thirty seven 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.

Some petitions (except in the case of one petition where court fees have been paid and the pauper petition converted into a suit which is pending disposal), are before the Court, at the stage of rejection / trial of pauperism.

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

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		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 company received summons dated 26th February 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. 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

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		appropriately dealt with/reclassified when the final outcome becomes clearer.
6	Additional comments from the board / audit committee chair:	The qualification / most of the emphasis of matters flows from the qualifications / emphasis of matter in erstwhile Satyam's financial statements as a result of fraud committed by the previous management of the erstwhile Satyam before it was acquired by the new management in April 2009 pursuant to the auction process carried out by the Government of India nominated Board of Directors.
7.	To be signed by- • Mr. C .P. Gurnani Chief Executive Officer / Managing Director • Mr. Milind Kulkarni Chief Financial Officer • Mr. T. N. Manoharan Audit Committee Chairman • Auditor of the company	**Place: Pune** **Date: July 3, 2014** Refer our Audit Report dated May 14, 2014 on the Consolidated financial statements of the Company **For DELOITTE HASKINS & SELLS LLP** **Chartered Accountants** **(Firm's Registration No. 117366W/W-100018)** **Hemant M. Joshi** **Pune** **Place:** **Partner** **(Membership No. 38019)** **Date: July 3, 2014**

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