

PART I	Particulars	Rs. in Lakhs				Year ended	
		Quarter ended September 30, 2014	December 31, 2013	Nine months ended December 31, 2014	December 31, 2013	March 31, 2014	March 31, 2014
1	Income from Operations	5,03,481	4,80,360	14,45,550	11,92,489	16,29,513	
2	Expenses						
a)	Employee benefits expense	1,83,104	1,80,389	5,38,653	5,33,163	6,97,145	
b)	Traveling Expenses	12,165	12,552	40,212	46,100	61,598	
c)	Services rendered by Business Associates & Others	1,67,031	1,59,529	4,74,122	2,09,189	3,40,124	
d)	Depreciation and amortisation expense	11,156	11,290	34,874	31,094	42,699	
e)	Other expenses	46,072	41,210	1,32,241	1,33,878	1,74,511	
	Total Expenses	4,19,528	4,04,970	12,20,102	9,53,424	13,16,076	
3	Profit from operations before other income and finance costs (1-2)	83,953	75,380	2,25,448	2,39,065	3,13,437	
4	Other Income						
	Miscellaneous income	6,910	9,969	24,591	23,929	31,303	
	Exchange gain / (loss) (net)	(3,030)	(7,894)	(7,894)	(9,885)	(7,030)	
	Total	3,880	4,378	16,697	14,044	24,273	
5	Profit before finance costs (3+4)	87,833	79,768	2,42,145	2,53,109	3,20,467	
6	Finance costs						
	Interest Cost on Borrowings	166	254	712	679	708	
	Currency Translation Loss / (Gain) on Foreign Currency Loan	166	254	712	712	8,693	
	Total	87,667	79,514	2,41,433	2,45,365	3,11,784	
7	Profit after finance costs but before exceptional item and tax (5-6)	-	-	-	-	12,000	
8	Exceptional item - Income (Refer Note 4)	87,667	79,514	2,41,433	2,57,365	3,23,784	
9	Profit before tax (7+8)	-	-	-	-	-	
10	Tax expense						
a)	Current Tax & Deferred Tax	19,132	20,567	58,710	63,812	77,897	
b)	Earlier years excess provision written back (refer note 3.4)	-	-	-	(22,060)	(22,060)	
11	Profit after tax (9-10)	68,535	59,947	1,82,723	2,16,213	2,68,547	
12	Special Adjustments (Refer Note 5.3)	2,542	-	-	-	-	
	Profit earned by MESL from April 1, 2014 to September 30, 2014	71,077	59,947	1,82,723	2,16,213	2,68,547	
13	Net Profit After Special Adjustments (11+12)	23,998	23,545	23,998	23,315	23,347	
14	Paid-up Equity Share Capital (Face Value of Share Rs. 10)	-	-	-	-	-	
15	Loan Funds - Listed Debentures	-	-	-	-	-	
16	Reserves excluding evaluation reserve	-	-	-	-	-	
17	Debiture Redemption Reserve	-	-	-	-	-	
18	Earnings Per Equity Share (Rs) (Before exceptional item)						
	- Basic	29.74	25.16	76.46	87.52	110.33	
	- Diluted	28.92	24.42	74.34	85.77	107.39	
19	Earnings Per Equity Share (Rs) (After exceptional item)						
	- Basic	29.74	25.16	76.46	83.09	115.49	
	- Diluted	28.92	24.42	74.34	80.81	112.41	
20	Ratios						
	- Debt Equity Ratio	-	-	-	-	0.04	
	- Debt Service Coverage Ratio (DSCR)	-	-	-	-	1.64	
	- Interest Service Coverage Ratio (ISCR)	-	-	-	-	36.10	

Note: Suggested definition for Coverage Ratios:
 ISCR = Earnings before interest and tax / Interest Expense.
 DSCR = Earnings before interest and tax / (Interest + Principal Repayment)
 See accompanying note to the financial results



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The forensic investigation was unable to identify the nature of certain alleged transactions aggregating Rs. 123040 lakhs (net receipt) against which erstwhile Sayam had received legal notices from 37 companies claiming repayment of this amount which was allegedly given as temporary advances. Refer Note 3.3 below.

3.3 Alleged Advances
 Consequently to the letter of the erstwhile Chairman, on January 8, 2009, the erstwhile Sayam received letters from thirty seven companies requesting confirmation by way of acknowledgment 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. 123040 Lakhs 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 Sayam has not acknowledged any liability to any of the thirty seven companies and has replied to legal notices stating that the claims are legally untenable.

The 37 companies had filed petitions / suits for recovery against the erstwhile Sayam before the City Civil Court, Secunderabad ("Court"), with a prayer that these companies be declared as judgment debtors for seeking exemption from payment of requisite court fees. The Court, in its order dated 11.01.2010, directed the erstwhile Sayam to deposit the amount of Rs. 123040 Lakhs in a separate bank account and to pay the court fees. The Court, in its order dated 11.01.2010, directed the erstwhile Sayam to deposit the amount of Rs. 123040 Lakhs in a separate bank account and to pay the court fees. The Court, in its order dated 11.01.2010, directed the erstwhile Sayam to deposit the amount of Rs. 123040 Lakhs in a separate bank account and to pay the court fees.

One petition where court fees have been paid and the payment petition converted into a suit which is pending disposal and petitions filed by remaining 36 companies are before the Court at various stages of right of appeal and stay. 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 Sayam 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 Sayam. 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 Sayam 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 Sayam 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 approved by the Official Liquidator, with the assistance of a firm of Chartered Accountants ("the firm"), to scrutinize the report, inter-alia, stated that the erstwhile Sayam 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 Sayam, held inter-alia, in its order approving the merger of the erstwhile Sayam with the Company, that the contention of the 37 companies that Sayam is retaining the money or that the money is to be repaid to them 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 Sayam, the new management of the erstwhile Sayam 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 Directorate of Enforcement (ED) is investigating the matter under the Prevention of Money Laundering Act, 2002 ("PMLA") and directed the erstwhile Sayam 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 Sayam 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 then aggregating to Rs. 92200 Lakhs 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 Sayam and others and investigation conducted by the ED under the PMLA. As stated in the Order, the investigations of the ED revealed that Rs. 92200 Lakhs cash proceeds of the erstwhile Sayam were deposited in the Fixed Deposit accounts of the Company. The Order and all proceedings pursuant thereto vide its interim order dated December 11, 2012. The ED had challenged the interim order before the Division Bench of the Honorable High Court of Andhra Pradesh. The Honorable High Court has dismissed the Appeal filed by ED and continued the Stay granted vide its order dated December 31, 2014.

The company received summons dated February 26, 2014 from "Honorable XXI Additional Chief Metropolitan Magistrate, Hyderabad cum Special Sessions Court" in connection with Enforcement Directorate filing a complaint under the Prevention of Money Laundering Act, 2002 against the Company along with 212 Accused persons. In the complaint, ED has alleged that the Company has been involved in the offence of money laundering by possessing the proceeds of crime and projecting them as unsecured. The Company had challenged the above complaint before the Honorable High Court of Hyderabad and also sought for interim stay of all the proceedings. The Honorable High Court had dismissed the criminal complaint against the Company vide its order dated December 22, 2014.

In view of the aforesaid developments and also based on legal opinion, the erstwhile Sayam'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/realised with the final outcome becomes clear.

3.4 Provision for taxation
 Estimated provision for taxation for the year ended March 31, 2014 (before giving effect to its amalgamation with the Company) towards
 - Income tax (including surcharge and cess) is Rs. 49822 Lakhs (not 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 Sayam and the estimated excess tax provision amounting to Rs. 22660 Lakhs determined based on such evaluation in respect of the prior years have been written back during the previous year ended March 31, 2014. In the opinion of the Management the balance provision for taxation carried in the books with respect to the prior year disputes relating to erstwhile Sayam is adequate.

4. Exceptional item
 The exceptional item (income) amounting to Rs. 12000 Lakhs represents write back during the previous year ended March 31, 2014 of the excess provision for contingencies provided in an earlier year by erstwhile Sayam, based on a re-evaluation of the same by the Management.

5. Scheme of Amalgamation and Arrangement of Mahindra Engineering Services Limited (MESL)
 Pursuant to the Scheme of Amalgamation and Arrangement (the "Scheme") sanctioned by the Honorable High Court of Bombay vide its order dated October 31, 2014, Mahindra Engineering Services Limited (MESL), merged with the Company with effect from April 1, 2013 (the "appointed date"). The Scheme came into effect on December 8, 2014, the

Alone Audited Financial Results for the Quarter and nine months ended December 31, 2014

				Quarter ended					
				December	September	December 31,	September 30,	December 31,	Year ended
				31, 2014	30, 2014	2013	2013	2013	March 31, 2014
A	PARTICULARS OF SHAREHOLDING								
1	Public Shareholding								
	- Number of shares	151806238	150714549	151806238	148415182	151806238	148415182	148735908	63.71%
	- Percentage of shareholding	63.28%	64.01%	63.28%	63.66%	63.28%	63.66%	63.71%	
2	Promoters and promoter group Shareholding								
	a) Pledged/encumbered								
	- Number of shares	-	-	-	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-	-	-
	b) Un-encumbered								
	- Number of shares	88173378	84736978	88173378	84736978	88173378	84736978	84736978	36.29%
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	36.74%	35.99%	36.74%	36.34%	36.74%	35.94%	36.29%	
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	36.74%	35.99%	36.74%	36.34%	36.74%	35.94%	36.29%	

	Particulars	3 months ended December 31, 2014
B. INVESTORS COMPLAINTS		
Pending at the beginning of the quarter		0
Received during the quarter		23
Disposed of during the quarter		23
Remaining unresolved at the end of the quarter		0
Notes:		
1.	The quarterly and nine monthly results have been reviewed by the Audit Committee and taken on records by the Board of Directors in its meeting held on January 30, 2015.	
2.	Scheme of Amalgamation and Arrangement:	
	Pursuant to the Scheme of Amalgamation and Arrangement (the "Scheme") sanctioned by the Honorable High Court of Andhra Pradesh vide its order dated June 11, 2013 and thereafter by the Honorable High Court of Judicature at Bombay vide its order dated September 28, 2012, Venturuby Consultants Private Limited ("Venturuby"), Canvastek Technologies Limited ("Canvastek"), a wholly owned subsidiary of the Company (through Venturuby) and CAS System Technologies Private Limited (CSST), a wholly owned subsidiary of Rashtreeya Sanyam, merged with the Company without effect from April 1, 2011 (the "appointed date"). The Scheme came into effect on June 24, 2013, the day on which both the orders were delivered to the Registrar of the Companies, and pursuant thereto the entire business and all the assets and liabilities, duties and obligations of Sanyam, Venturuby, Canvastek, Logosoft, and CSST have been transferred to and assumed by the Company.	

The Company transferred out of its total holding in Saylam as on April 1, 2011, 2040xkhs 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 Saylam have been cancelled.

On the other amalgamating companies i.e. Venturify, Logisoft, CarniweM and C&S were wholly owned subsidiaries of the Company / Saylam, as applicable, no equity shares were transferred to effect the amalgamation in respect thereof.

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.

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.

3. Matters pertaining to erstwhile Satyam Computer Services Limited (erstwhile Satyam):

Consequently, various regulators/ investigating agencies such as the Central Bureau of Investigation (CBI), Serious Fraud Investigation Office (SFIO), Registrar of Companies (ROC), in the latter of January 7, 2004 ("the letter") of Mr. B. Ramalinga Reddy, state officer, Criminal and tax, caused a direct effect of extensive delays as at September 30, 2006, caused an inflated cash and bank balances, non-existent liability, an understated liability and an overstated debtors position.

¹ On May 22, 2013, the ED has issued a notice to enswile Satyam for contravention of provisions of the Foreign Exchange Management Act, 1999 (FEMA) for alleged non-compliance of Environment (ED), etc., the show-cause notice is intended to ensure that various matters which are yet to be concluded.

As per the assessment of the Management based on the ongoing investigation and the information available up to this stage, all identified/required adjustments/disclosures arising from Overseas Regulatory Agencies in India sought assistance from Overseas Subsidiaries. The same has been responded in the process of being responded to. In furtherance to the investigation of erstwhile Sayam, certain Regulatory Agencies in India sought assistance from Overseas Subsidiaries. The same has been responded in the process of being responded to.

The identified financial irregularities, had been made in the financial statements of erstwhile Sayam as at March 31, 2009. Considerable time has elapsed after the initiation of investigation by various agencies and erstwhile Sayam had not received any further information as a result of the various ongoing investigations against erstwhile Sayam 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/closure in the books, and all existing claims have been appropriately dealt with/recorded/disclosed in the books based on their current status.

3.2.2 Forensic investigation and nature of financial irregularities

...the forensic accountants appointed for the investigation (referred to as "forensic investigation") and preparation of the financial statements of the company. The forensic accountants investigated accounting records to identify the extent of financial irregularities and were focused on the method from

On September 28, 2002, the Board of Directors of Saygem published its financial results prior to the date of the letter. In certain instances, the forecasts presented in the letter were based on the last date up to which erstwhile Saygem indicated possible diversion aggregating USD 41 Million from the proceeds of the American Depository Shares (ADS) relating to erstwhile Saygem's public offering. The Board of Directors of Saygem has indicated that the procedures under the erstwhile Saygem's prospectus were not followed in the case of the first two public offerings conducted in the period between 2002 and 2003.

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The unexplained differences suspense account (net) comprising of fictitious assets, unrecorded loans or where complete information is not available. On grounds of prudence, these amounts had been provided for by erstwhile Satyam in the financial year ended March 31, 2009 and since there is no further information available with the Management even after the lapse of more than four years, the said amount has been completely written off in the books of account of the Company during the year ended March 31, 2014.

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