

TECH MAHINDRA Q3 net up 122 %

Net profit after tax of Rs 166.8 crores and revenue of Rs 769.8 crores - Over the corresponding quarter of the previous year, net profit after tax grew by 122 % and revenue grew by 131 % - Over the previous quarter, net profit after tax excluding one time tax refund, grew by 17 % and revenue grew by 10%.

Mumbai, Maharashtra, January 21, 2007 /[India PRwire](#)/ -- Tech Mahindra Limited, one of the largest solution providers in the telecom space, announced a 122% growth in net profit after tax and 131 % increase in revenue for Q3 FY07 over the corresponding quarter in the previous year. Tech Mahindra reported consolidated net profit after tax of Rs 166.8 crores for Q3 FY 07 as against Rs 75.1 crores in Q3 FY 06. The company's revenue was Rs 769.8 crores for Q3 FY07 as against Rs 332.6 crores in Q3 FY06.

On a sequential basis from Q2 FY 07 to Q3 FY 07, profit after tax, excluding one time tax refund, grew 17 % and revenues grew 10 %.

Speaking on the occasion, **Mr. Anand Mahindra, Chairman, Tech Mahindra** said "Tech Mahindra has turned in another strong performance in the third quarter. We continue to focus on providing innovative solutions to our customers, which have helped us attain our leadership position in the telecom eco system"

Mr. Vineet Nayar, Vice Chairman & MD, Tech Mahindra said, "Tech Mahindra continues to drive along a high growth path and we are scaling up our services portfolio and global delivery capability to implement our growth strategy and create value for our customers"

Operations

Tech Mahindra last quarter won possibly the largest deal in the history of the Indian IT industry. The company signed a 5 year USD 1 billion deal to support BT's planned growth of managed services to business customers globally. The revenue stream from this deal is in addition to the existing services that Tech Mahindra already provides to BT where it fulfills BT's internal IT needs. Both companies will work together on creating and operating a global delivery organization, by leveraging and augmenting Tech Mahindra's existing delivery centres, to achieve greater flexibility and efficiencies in addressing client requirements.

Tech Mahindra significantly expanded its **BPO** service offering during the quarter. As of the quarter end, Tech Mahindra had more than 1500 people delivering BPO services for various clients.

Tech Mahindra is assisting a large Indian TSP to streamline and optimize its operations in customer care, provisioning and complaint resolution. In these areas, Tech Mahindra was responsible for consolidating multiple locations, helping the client achieve cost efficiencies, process improvements and process standardization.

Tech Mahindra is also assisting a large North American TSP to get better efficiencies in its provisioning and activation process. Tech Mahindra's solution based out of delivery centres in India will help the client leverage global sourcing benefits while achieving improvements in their business metrics.

Within the **BSS** domain, Tech Mahindra, in partnership with a leading equipment manufacturer, was chosen by a GSM operator to provide system integration services to enable real time converged billing. As part of this project, Tech Mahindra will equip the client with a best of breed solution which spans the Billing, Mediation and CRM platforms for both pre-paid and post-paid business processes.

In the **Business Intelligence** domain, Tech Mahindra will implement a data warehousing and analysis solution for a leading Telecom services provider. This solution will allow the client to perform various analytics across functions like strategic planning, marketing and sales to gauge revenue opportunities.

In the **CRM** domain, Tech Mahindra has won a strategic deal to develop and manage a leading telecom service provider's dealer management system. As part of the engagement, Tech Mahindra will be involved in all stages of the project which include process reengineering, design, development and deployment of the solution along with data migration and user training.

In the **NGN** space, Tech Mahindra has been involved in Proof-of-Concepts with leading Telecommunication Equipment Manufacturers globally and has established partnership agreements with leading ISV's and product vendors to realize innovative applications for providing convergent services.

Tech Mahindra is also assisting leading TEMs in defining product road-maps for IMS deployments.

In the **R&D** area, Tech Mahindra has been commissioned by a leading European TEM to help accelerate the market rollout of their next generation line of products by providing automation, integration and validation testing solutions.

Continuing to build, forge and strengthen relationships with the Telecom eco-system Tech Mahindra has engaged with a leading ISV to set up an OSS competency centre. The competency centre will equip the ISV to engage with its clients on Solution Propositions, Joint Go to market, Product Engineering and professional services.

The number of clients increased from 70 in Q2 FY 07 to 78 in Q3 FY 07.

The company derived 19%, 73 % and 8% of its revenues in the current revenues from the US, Europe and ROW regions respectively.

During the quarter, Tech Mahindra has set up a state of the art software development centre in Hyderabad and acquired land in Chandigarh. The company has also expanded its existing facilities in Noida, Kolkata, Bangalore during the quarter.

Human Resources

Tech Mahindra's total headcount increased to 17,774 this quarter from 15,080 in Q2 FY 06-07, The company successfully conducted its campus recruitment as well as off campus recruitment initiatives at several locations within India.

Acquisition

On 18th January, 2007 Tech Mahindra entered into a definitive agreement to acquire Noida based iPolicy Networks Private Limited ("iPolicy"). This acquisition would be complementary to Tech Mahindra's strong security services capabilities.

iPolicy provides next-generation, carrier-grade integrated network security solutions for enterprise and service provider customers. iPolicy' capabilities enhance Tech Mahindra's security service offerings and enabling it to offer end to end security services to its customers; encompassing security consulting services, network security products and managed security services from its security operations centre.

Other significant events

Tech Mahindra continues to be endorsed as a thought leader in telecom industry. Frost & Sullivan awards which recognize outstanding global industry achievements, awarded Tech Mahindra the 'Vertical Market Penetration Leadership Award in Telecom Vertical for 2006' and the 'Market Leadership Award for Offshore Security Consulting for Next Generation Network and Applications for 2006'

Notes to Editor

About Tech Mahindra

Founded in 1986, Tech Mahindra is a leading provider of solutions and services to the telecommunications industry. Majority owned by Mahindra & Mahindra, in partnership with British Telecommunications plc . With total revenues of Rs. 1243 crores in the year ended March 31, 2006 , and Rs. 1,285 crores in the six months ended September 30, 2006, Tech Mahindra is India's 8th largest software exporter, and serves telecom service

providers, equipment manufacturers, software vendors and systems integrators.

Tech Mahindra solutions enable clients to maximize returns on their IT investments by achieving faster time to market, reduced total cost of ownership and high 4 of 4 customer satisfaction. Tech Mahindra achieves this through its domain and process expertise, distinctive IT skills, research and development, proven innovative delivery models and approach to offshoring.

Assessed at SEI-CMMi Level 5 and PCMM Level 5, Tech Mahindra's track record for value-delivery is supported by over 17,000 professionals who provide a unique blend of culture, domain expertise and in-depth technology skill-sets. Its development centres are ISO 9001:2000 & BS7799 certified. Tech Mahindra has principal offices in the UK, United States, Germany, UAE, Egypt, Singapore, India, Thailand, Taiwan & Australia – including major development facilities in India and the UK

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