

**Tech Mahindra Limited**

Registered Office : Gateway Building, Apollo Bunder, Mumbai 400 001. Website : www.techmahindra.com

Email : investor.relations@techmahindra.com. CIN : L64200MH1986PLC041370

**Standalone Audited Interim Financial Results for the quarter and six months period ended September 30, 2023**

(Rs. in Million except earnings per share)

	Particulars	Quarter ended			Six months period ended		Year ended
		September 30, 2023 (Audited)	June 30, 2023 (Audited)	September 30, 2022 (Audited) Note 3	September 30, 2023 (Audited)	September 30, 2022 (Audited) Note 3	March 31, 2023 (Audited)
1	Revenue from Operations	104,397	106,972	105,986	211,369	207,312	426,573
2	Other Income	5,136	2,010	5,357	7,146	6,801	11,283
3	<b>Total Income (1 + 2)</b>	<b>109,533</b>	<b>108,982</b>	<b>111,343</b>	<b>218,515</b>	<b>214,113</b>	<b>437,856</b>
4	Expenses						
	Employee Benefit Expenses	40,292	39,219	37,470	79,511	72,145	149,693
	Subcontracting Expenses	41,915	42,402	42,943	84,317	84,296	170,368
	Finance Costs	577	543	378	1,120	655	1,808
	Depreciation and Amortisation Expense	2,062	2,047	2,098	4,109	4,155	8,129
	Other Expenses	16,783	17,485	11,222	34,268	23,390	53,309
	Impairment of non-current investments (Refer note 6)	2,035	-	4,171	2,035	4,171	5,508
	<b>Total Expenses</b>	<b>103,664</b>	<b>101,696</b>	<b>98,282</b>	<b>205,360</b>	<b>188,812</b>	<b>388,815</b>
5	Profit before Tax (3 - 4)	5,869	7,286	13,061	13,155	25,301	49,041
6	Tax Expense (Refer note 7)						
	Current Tax	1,210	2,156	3,650	3,366	6,707	12,027
	Deferred Tax	(899)	(465)	(151)	(1,364)	(369)	(761)
	<b>Total Tax Expense</b>	<b>311</b>	<b>1,691</b>	<b>3,499</b>	<b>2,002</b>	<b>6,338</b>	<b>11,266</b>
7	Profit after tax (5 - 6)	5,558	5,595	9,562	11,153	18,963	37,775
8	Other Comprehensive Income / (Loss)						
	A. Items that will not be reclassified to Profit / (Loss) (net of taxes)	(57)	2	(7)	(55)	12	53
	B. Items that will be reclassified to Profit / (Loss) (net of taxes)	(703)	976	310	273	486	(2,533)
	<b>Total Other Comprehensive Income / (Loss) (A+B)</b>	<b>(760)</b>	<b>978</b>	<b>303</b>	<b>218</b>	<b>498</b>	<b>(2,480)</b>
9	<b>Total Comprehensive Income (7 + 8)</b>	<b>4,798</b>	<b>6,573</b>	<b>9,865</b>	<b>11,371</b>	<b>19,461</b>	<b>35,295</b>
10	Paid-up Equity Share Capital (Face Value of Share Rs. 5)	4,878	4,874	4,866	4,878	4,866	4,871
11	Total Reserves						247,168
12	Earnings Per Equity Share in Rs.						
	<i>EPS for the quarter ended periods are not annualised</i>						
	- Basic	5.68	5.72	9.80	11.40	19.43	38.69
	- Diluted	5.67	5.71	9.76	11.37	19.36	38.54

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**Standalone Audited Interim Balance Sheet as at September 30, 2023**

Rs. in Million

Particulars	As at September 30, 2023	As at March 31, 2023
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
(a) Property, Plant and Equipment	20,443	21,710
(b) Capital Work-in-Progress	899	476
(c) Right-of-Use Asset	5,096	5,521
(d) Investment Property	731	748
(e) Goodwill	3,204	3,204
(f) Other Intangible Assets	4,628	5,231
(g) Financial Assets		
(i) Investments	107,650	108,226
(ii) Trade Receivables Billed	-	-
(iii) Other Financial Assets	1,576	1,753
(h) Current Tax Assets (Net)	25,847	26,554
(i) Deferred Tax Assets (Net)	5,648	4,358
(j) Other Non-Current Assets	6,907	9,132
<b>Total Non - Current Assets</b>	<b>182,629</b>	<b>186,913</b>
<b>Current Assets</b>		
(a) Financial Assets		
(i) Investments	19,203	24,977
(ii) Trade Receivables		
(1) Billed	62,100	65,246
(2) Unbilled	37,658	38,270
(iii) Cash and Cash Equivalents	11,765	10,940
(iv) Bank Balances other than (iii) above	1,045	1,098
(v) Other Financial Assets	3,682	4,560
(b) Other Current Assets	27,043	28,348
<b>Total Current Assets</b>	<b>162,496</b>	<b>173,439</b>
<b>Total Assets</b>	<b>345,125</b>	<b>360,352</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share Capital	4,878	4,871
(b) Other Equity	227,876	247,168
<b>Total Equity</b>	<b>232,754</b>	<b>252,039</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial Liabilities		
(i) Lease liabilities	3,409	3,708
(ii) Other Financial Liabilities	556	2,313
(b) Provisions	8,063	6,090
(c) Other Non-Current Liabilities	291	247
<b>Total Non - Current Liabilities</b>	<b>12,319</b>	<b>12,358</b>
<b>Current liabilities</b>		
(a) Financial Liabilities		
(i) Lease liabilities	1,662	2,083
(ii) Trade Payables		
(1) Total outstanding dues of micro and small enterprises	403	290
(2) Total outstanding dues of creditors other than micro and small enterprises	43,936	40,782
(iii) Other Financial Liabilities	13,335	15,651
(b) Provisions	6,238	3,509
(c) Current Tax Liabilities (Net)	12,051	11,209
(d) Other Current Liabilities	10,123	10,127
<b>Total Current Liabilities</b>	<b>87,748</b>	<b>83,651</b>
Suspense Account (Net)	12,304	12,304
<b>Total Equity and Liabilities and Suspense Account</b>	<b>345,125</b>	<b>360,352</b>

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**Standalone Audited Interim Financial Results for the quarter and six months period ended September 30, 2023**

**Standalone Audited Interim Cash Flow Statement**

Rs. in Million

Particulars	Six months period ended	
	September 30, 2023	September 30, 2022 (Refer Note 3)
<b>Cash Flow from Operating Activities</b>		
Profit before Tax	13,155	25,301
Adjustments for :		
Depreciation and Amortization Expense	4,109	4,155
Bad debts and advance written off, allowance/(reversal) of doubtful receivables/unbilled revenue and advances (net)	2,656	1,189
Net (gain)/loss on disposal of Property, Plant and Equipment and Intangible Assets	(19)	24
Finance Costs	1,120	655
Unrealized Exchange (gain)/Loss (net)	(1,147)	(368)
Share Based Payments to Employees	307	326
Impairment of non current investments	2,035	4,171
Interest Income	(959)	(581)
Rental Income	(72)	(81)
Dividend Income on Investments / Distributions from Subsidiaries	(3,814)	(5,364)
Gain on investments carried at fair value through profit and loss (net)	(694)	(443)
Change in fair valuation of contractual obligation	128	-
	<b>16,805</b>	<b>28,984</b>
Net change in:		
Trade Receivable and contract assets	4,195	(17,469)
Other financial assets and other assets	1,607	(2,671)
Trade Payables	3,567	11,682
Unearned revenue and deferred revenue	99	16
Other financial liabilities, other liabilities and provisions	3,885	8,433
	<b>13,353</b>	<b>(9)</b>
Cash generated from operating activities before taxes	30,158	28,975
Income taxes paid, net	(1,819)	(6,410)
<b>Net cash generated from Operating activities (A)</b>	<b>28,339</b>	<b>22,565</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment and Intangible Assets	(2,173)	(2,565)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	10	2
Purchase of Mutual Funds, Debentures and Other Investments	(84,901)	(123,494)
Proceeds from sale/ redemption of Mutual Funds, Debentures and Other Investments	91,306	138,979
Investment in Associates and Subsidiaries (including payment towards acquisition of business (net of cash acquired))	(3,692)	(9,114)
Dividend Income on Investments / Distributions from Subsidiaries	3,814	10,397
Loans to related party	-	(509)
Rental Income	564	254
Fixed Deposit / Margin Money Placed	(121)	(612)
Fixed Deposit / Margin Money Realized	117	759
Interest income received	1,023	574
<b>Net cash generated from/(used in) Investing activities (B)</b>	<b>5,947</b>	<b>14,671</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from issuance of equity shares from exercise of stock options	158	312
Payment of dividend	(31,190)	(29,184)
Repayment of lease liabilities	(1,271)	(1,079)
Finance costs paid	(1,079)	(644)
<b>Net cash from/(used in) Financing activities (C)</b>	<b>(33,382)</b>	<b>(30,595)</b>
<b>Net Increase/(decrease) in cash and cash equivalents during the period (D) = (A+B+C)</b>	<b>904</b>	<b>6,641</b>
Effect of exchange rate changes on cash and cash equivalents (E)	(79)	85
<b>Cash and Cash Equivalents at the beginning of the period (F)</b>	<b>10,940</b>	<b>12,496</b>
<b>Cash and Cash Equivalents at the end of the period (G) = (D+E+F)</b>	<b>11,765</b>	<b>19,222</b>

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Standalone Audited Interim Financial Results for the quarter and six months period ended September 30, 2023

### Notes :

- 1 These results have been prepared on the basis of the audited standalone condensed interim financial statements which are prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules 2015. The quarterly and six months period financial results have been reviewed by the Audit Committee and have been approved and taken on record by the Board of Directors in its meeting held on October 25, 2023.
- 2 The Board of Directors at its meeting held on October 25, 2023, has declared a Interim Dividend of Rs. 12 per equity share on face value of Rs. 5/- (240%).
- 3 The Board of Directors of the Company at its meeting held on January 29, 2021 had approved the Composite Scheme of Arrangement (the 'Scheme') for merger of Tech Mahindra Business Services Limited and Born Commerce Private Limited, two wholly owned subsidiaries of the Company, with the Company.  
The Scheme of Amalgamation by Absorption was approved by the NCLT Bench of Mumbai and Chennai, on January 5, 2023 and January 13, 2023 for the merger of the subsidiaries with the Company respectively. In accordance with the Scheme and IND AS 103, Appendix C, the financials results for the period ended September 30, 2022 has been restated.
- 4 **Certain matters relating to erstwhile Satyam Computer Services Limited (erstwhile Satyam):**  
**Proceedings in relation to 'Alleged Advances':**  
Erstwhile Satyam had, in the past, received letters from 37 companies seeking confirmation by way of acknowledgement of receipt of certain alleged amounts by the erstwhile Satyam (referred to as 'alleged advances'). These letters were followed with legal notices claiming repayment of the alleged advances aggregating to Rs. 12,304 Million together with damages/compensation @ 18% per annum till the date of repayment. The erstwhile Satyam had not acknowledged any liability and replied to the legal notices stating that the claims are not legally tenable. Subsequently, the 37 companies filed petitions for recovery against the erstwhile Satyam before the City Civil Court, Secunderabad (Court), of which one petition has been converted into suit and balance 36 petitions are at various stages of pauperism/suit admission.  
The Hon'ble High Court of Andhra Pradesh in its Order approving the merger of the erstwhile Satyam with the Company, held that in the absence of Board resolutions and documents evidencing acceptance of unsecured loans, i.e. alleged advances, by the former Management of the erstwhile Satyam, the new Management of the erstwhile Satyam is justified in not crediting the amounts received in the names of the said 37 companies and not disclosing them as creditors and in disclosing such amounts as 'Amounts pending investigation suspense account (net)' in the financial statements. The Hon'ble High Court held, inter-alia, that the contention that Satyam is retaining the money, i.e. the alleged advances, of the 'creditors' and not paying them does not appear to be valid and further held that any right of the objecting creditors can be considered only if the genuineness of the debt is proved. The matter is pending final adjudication.  
Appeals were filed before the Division Bench of the Hon'ble High Court of Andhra Pradesh against the Order of the single judge of the Hon'ble High Court of Andhra Pradesh sanctioning the Scheme of merger of erstwhile Satyam with the Company w.e.f. April 1, 2011, which are yet to be heard. Further, petition was filed by the 37 companies for winding-up of the erstwhile Satyam with the Hon'ble High Court of Andhra Pradesh which was subsequently rejected. One of the aforesaid companies also filed an appeal against the said order with the Division Bench of the Hon'ble High Court of Andhra Pradesh. These matters have been combined for hearing.  
The Directorate of Enforcement (ED) while investigating the matter under the Prevention of Money Laundering Act, 2002 (PMLA) had directed the erstwhile Satyam not to return the alleged advances until further instructions.  
In view of the aforesaid and based on an independent legal opinion, current legal status and lack of documentation to support the validity of the claim, the Management believes that the claim by the 37 companies for repayment of the alleged advances, including interest thereon will not be payable on final adjudication. As required by the Hon'ble High Court in the scheme of merger, the said amount of Rs. 12,304 Million has been disclosed as "Amounts pending investigation suspense account (net)" ("Suspense Account (net)"), which override the relevant requirement of Conceptual Framework for Financial Reporting under Indian Accounting Standards (Ind AS). Accordingly, the amounts of these alleged advances are disclosed separately from equity and liabilities of the Company in the books of account.
- 5 During the period ended September 30, 2023, 13,56,630 shares of Rs 5/- each fully paid, were allotted upon exercise of the vested stock options pursuant to the Company's Employee Stock Option Schemes resulting in an increase in the paid-up share capital by Rs. 7 Million and securities premium by Rs. 120 Million.
- 6 The Company based on the performance of its subsidiaries and relevant economic and market indicators has assessed the recoverable amount of investment in certain subsidiaries. Consequently, the Company has recognised an impairment of Rs. 2,035 Million in the statement of profit and loss for the six months period ended September 30, 2023. (Quarter Ended ("QE") September 30, 2023: Rs. 2,035 Million) (QE September 30, 2022: Rs. 4,171 Million) (Six months period ended September 30, 2022: Rs. 4,171 Million) (Year ended March 31, 2023: Rs. 5,508 Million).
- 7 Tax expense for the six months period ended September 30, 2023 is net of reversals of Rs.583 Million (Quarter ended "QE" September 30, 2023 : Rs. 583 Million) (QE June 30, 2023: Rs. Nil) (QE September 30, 2022: Rs. Nil) (Six months period ended September 30, 2022: Rs. Nil) (Year ended March 31, 2023: Rs. 201 Million), relating to earlier periods consequent to the orders received by the Company pertaining to earlier periods.
- 8 **Emphasis of Matter**  
**The Emphasis of Matter in the Auditor's Report:**  
With relation to Note 4, which describes in detail certain matters relating to erstwhile Satyam Computer Services Limited ("erstwhile Satyam"), amalgamated with the Company with effect from April 1, 2011, is discussed below:  
In accordance with the Scheme approved by the Honourable High Court of Hyderabad, Andhra Pradesh, the Company has presented separately under "Suspense Account (net)" claims made by 37 companies in the City Civil Court, for alleged advances amounting to Rs. 12,304 Million, to erstwhile Satyam. The Company's management, on the basis of current legal status, lack of documentation to support the validity of the claims and external legal opinion believes that these claims will not be payable on final adjudication.  
**Management response to Emphasis of Matter:**  
With regard to the Emphasis of Matter stated above, there are no additional developments which require adjustments to the audited interim standalone financial results.
- 9 The audited standalone interim financial results have been made available to the Stock Exchanges where the Company's securities are listed and are posted on the Company's website at the web-link: <https://www.techmahindra.com/en-in/investors/>.

Date : October 25, 2023  
Place : Mumbai

C. P. Gurnani  
Managing Director & CEO