

**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 nine months period ended December 31, 2023**

(Rs. in Million except earnings per share)

	Particulars	Quarter ended			Nine months period ended		Year ended
		December 31, 2023 (Audited)	September 30, 2023 (Audited)	December 31, 2022 (Audited)	December 31, 2023 (Audited)	December 31, 2022 (Audited)	March 31, 2023 (Audited)
1	Revenue from Operations	105,514	104,397	109,876	316,883	317,188	426,573
2	Other Income	2,652	5,136	3,686	9,798	10,487	11,283
3	<b>Total Income (1 + 2)</b>	<b>108,166</b>	<b>109,533</b>	<b>113,562</b>	<b>326,681</b>	<b>327,675</b>	<b>437,856</b>
4	Expenses						
	Employee Benefit Expenses	41,132	40,292	38,181	120,643	110,325	149,693
	Subcontracting Expenses	41,050	41,915	43,032	125,367	127,328	170,368
	Finance Costs	753	577	585	1,873	1,239	1,808
	Depreciation and Amortisation Expense	1,996	2,062	1,952	6,105	6,108	8,129
	Other Expenses	17,817	16,783	14,714	52,085	38,103	53,309
	Impairment of non-current investments (Refer note 4)	-	2,035	-	2,035	4,171	5,508
	<b>Total Expenses</b>	<b>102,748</b>	<b>103,664</b>	<b>98,464</b>	<b>308,108</b>	<b>287,274</b>	<b>388,815</b>
5	Profit before Tax (3 - 4)	5,418	5,869	15,098	18,573	40,401	49,041
6	Tax Expense (Refer note 5)						
	Current Tax	1,485	1,210	3,277	4,851	9,985	12,027
	Deferred Tax	(926)	(899)	(223)	(2,290)	(592)	(761)
	<b>Total Tax Expense</b>	<b>559</b>	<b>311</b>	<b>3,054</b>	<b>2,561</b>	<b>9,393</b>	<b>11,266</b>
7	Profit after tax (5 - 6)	4,859	5,558	12,044	16,012	31,008	37,775
8	Other Comprehensive Income / (Loss)						
	A. Items that will not be reclassified to Profit / (Loss) (net of taxes)	(47)	(57)	68	(102)	79	53
	B. Items that will be reclassified to Profit / (Loss) (net of taxes)	(711)	(703)	(3,517)	(438)	(3,030)	(2,533)
	<b>Total Other Comprehensive Income / (Loss) (A+B)</b>	<b>(758)</b>	<b>(760)</b>	<b>(3,449)</b>	<b>(540)</b>	<b>(2,951)</b>	<b>(2,480)</b>
9	<b>Total Comprehensive Income (7 + 8)</b>	<b>4,101</b>	<b>4,798</b>	<b>8,595</b>	<b>15,472</b>	<b>28,057</b>	<b>35,295</b>
10	Paid-up Equity Share Capital (Face Value of Share Rs. 5)	4,881	4,878	4,869	4,881	4,869	4,871
11	Total Reserves						247,168
12	Earnings Per Equity Share (Rs)/ (Not annualized for the quarters/Nine months period)						
	- Basic	4.97	5.68	12.34	16.37	31.77	38.69
	- Diluted	4.96	5.67	12.29	16.32	31.65	38.54

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Standalone Audited Interim Financial Results for the quarter and nine months period ended December 31, 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 nine months period financial results have been reviewed by the Audit Committee and have been approved by the Board of Directors in its meeting held on January 24, 2024.

### 2 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.

3 During the period ended December 31, 2023, 2,016,922 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. 10 Million and securities premium by Rs. 175 Million.

4 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 nine months period ended December 31, 2023. (Quarter Ended ("QE") December 31, 2023: Rs. Nil) (QE September 30, 2023 : Rs. 2,035 Million) (QE December 31, 2022: Rs. Nil) (nine months period ended December 31, 2022: Rs. 4,171 Million) (Year ended March 31, 2023: Rs. 5,508 Million).

5 Tax expense is net of reversals, for the nine months period ended December 31, 2023 of Rs. 1,305 Million. (Quarter ended "QE" December 31, 2023: Rs. 722 Million) (QE September 30, 2023: Rs. 583 Million) (QE December 31, 2022: Rs. 201 Million) (nine months period ended December 31, 2022: Rs. 201 Million) (Year ended March 31, 2023: Rs. 201 Million) relating to earlier periods consequent to the orders received by the Company or completion of tax assessment.

6 The appointment of the Managing Director is subject to the pending approval of Central Government pursuant to the requirements of Section 196, 197 (read with the relevant and applicable rules) of the Companies Act, 2013.

### 7 Emphasis of Matter

#### The Emphasis of Matter in the Auditor's Report:

With relation to Note 2, 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.

8 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 : January 24, 2024  
Place : Mumbai

Mohit Joshi  
Managing Director & CEO