

**Tech Mahindra Limited**

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**Consolidated Financial Results for the quarter and audited results for the year ended March 31, 2022**

	Particulars	Rs. in Million except Earnings per share				
		Quarter ended			Year ended	
		March 31, 2022 (Note 8)	December 31, 2021 (Unaudited)	March 31, 2021 (Note 8)	March 31, 2022 (Audited)	March 31, 2021 (Audited)
1	Revenue from Operations	121,163	114,508	97,299	446,460	378,551
2	Other Income	3,198	2,231	326	11,123	7,871
3	Total Income (1 + 2)	124,361	116,739	97,625	457,583	386,422
4	Expenses					
	Employee Benefits Expense	60,476	56,602	46,955	222,859	192,973
	Subcontracting Expense	19,065	18,742	12,367	69,571	49,743
	Finance Costs	552	339	417	1,626	1,740
	Depreciation and Amortisation Expense	4,842	3,621	3,444	15,204	14,577
	Other Expenses	20,738	18,564	18,496	73,830	67,365
	Impairment of Goodwill and non-current assets	-	-	507	-	507
	Total Expenses	105,673	97,868	82,186	383,090	326,905
5	Profit before share in profit/(loss) of associates/joint ventures and tax (3-4)	18,688	18,871	15,439	74,493	59,517
6	Share in Profit / (Loss) of Associates / Joint Venture	45	(7)	2	28	12
7	Profit before Tax (5 + 6)	18,733	18,864	15,441	74,521	59,529
8	Tax Expense (Refer note 5)					
	Current Tax	1,366	5,597	5,116	17,421	18,115
	Deferred Tax	1,914	(515)	(118)	799	(2,116)
	Total Tax Expense	3,280	5,082	4,998	18,220	15,999
9	Profit after tax (7 - 8)	15,453	13,782	10,443	56,301	43,530
	Profit for the period attributable to:					
	Owners of the Company	15,057	13,685	10,814	55,661	44,280
	Non Controlling Interests	396	97	(371)	640	(750)
10	Other Comprehensive Income / (Loss)					
	A. Items that will not be reclassified to Profit or (Loss) (net of taxes)	153	(106)	(24)	(81)	1,586
	B. Items that will be reclassified to Profit or (Loss) (net of taxes)	1,178	(305)	1,647	2,393	2,651
	Total Other Comprehensive Income / (Loss) (A+B)	1,331	(411)	1,623	2,312	4,237
11	Total Comprehensive Income (9 + 10)	16,784	13,371	12,066	58,613	47,767
	Total Comprehensive Income for the period attributable to:					
	Owners of the Company	16,349	13,301	12,376	57,949	48,415
	Non Controlling Interests	435	70	(310)	664	(648)
12	Paid-up Equity Share Capital (Face Value of Share Rs. 5)	4,388	4,382	4,370	4,388	4,370
13	Total Reserves				264,469	244,280
14	Earnings Per Equity Share (Rs)					
	<i>EPS for the quarter ended periods are not annualised</i>					
	Basic	17.09	15.58	12.37	63.32	50.64
	Diluted	16.94	15.46	12.26	62.81	50.19

  

Standalone Information					
Particulars	Quarter ended			Year ended	
	March 31, 2022 (Note 8)	December 31, 2021 (Unaudited)	March 31, 2021 (Note 8)	March 31, 2022 (Audited)	March 31, 2021 (Audited)
Revenue from Operations	93,189	90,108	75,068	347,261	296,409
Profit before Tax	11,912	17,630	15,273	62,846	55,266
Profit after Tax	10,379	13,295	11,678	49,131	42,391

**Consolidated Financial Results for the quarter and audited results for the year ended March 31, 2022**

**Primary Segments**

The Group [Tech Mahindra Limited (defined as Holding Company), together with its subsidiaries] and its associates and joint venture identifies its Primary Business Segments based on the type of services offered, i.e. IT Services & BPO services.

**Segment wise Revenue, Results and Capital Employed**

Particulars	Quarter ended			Year ended	
	March 31, 2022 (Note 8)	December 31, 2021 (Unaudited)	March 31, 2021 (Note 8)	March 31, 2022 (Audited)	March 31, 2021 (Audited)
<b>Segment Revenue</b>					
a) IT	105,926	100,010	86,730	391,852	340,495
b) BPO	15,237	14,498	10,569	54,608	38,056
<b>Total Sales / Income from operations</b>	<b>121,163</b>	<b>114,508</b>	<b>97,299</b>	<b>446,460</b>	<b>378,551</b>
<b>Segment Profit before tax, interest and depreciation</b>					
a) IT	17,946	17,580	16,524	69,344	60,421
b) BPO	2,938	3,020	2,957	10,856	8,049
<b>Total</b>	<b>20,884</b>	<b>20,600</b>	<b>19,481</b>	<b>80,200</b>	<b>68,470</b>
<b>Less:</b>					
(i) Finance costs	552	339	417	1,626	1,740
(ii) Other un-allocable expenditure, net off un-allocable income	1,644	1,390	3,625	4,081	7,213
<b>Add:</b>					
Share in Profit / (Loss) of Associates / Joint Venture	45	(7)	2	28	12
<b>Profit before tax</b>	<b>18,733</b>	<b>18,864</b>	<b>15,441</b>	<b>74,521</b>	<b>59,529</b>

**Statement of Segment Assets and Liabilities**

	March 31, 2022 (Note 8)	December 31, 2021 (Unaudited)	March 31, 2021 (Audited)
<b>Segment Assets</b>			
Trade and Other Receivables			
IT	117,498	111,954	89,331
BPO	15,179	15,033	11,201
<b>Total Trade and Other Receivables</b>	<b>132,677</b>	<b>126,987</b>	<b>100,532</b>
Goodwill			
IT	62,027	52,484	34,462
BPO	12,231	9,213	5,620
<b>Total Goodwill</b>	<b>74,258</b>	<b>61,697</b>	<b>40,082</b>
Unallocable Assets	241,772	236,789	256,166
<b>TOTAL ASSETS</b>	<b>448,707</b>	<b>425,473</b>	<b>396,780</b>
<b>Segment Liabilities</b>			
Unearned Revenue			
IT	10,006	8,168	6,503
BPO	1,455	1,220	1,197
<b>Total Unearned Revenue</b>	<b>11,461</b>	<b>9,388</b>	<b>7,700</b>
Unallocable Liabilities	163,435	159,969	136,635
<b>TOTAL LIABILITIES</b>	<b>174,896</b>	<b>169,357</b>	<b>144,335</b>

**Segmental Capital Employed**

Segregation of assets into primary segments has been done to the extent applicable. Segregation of balance assets and liabilities into various primary segments has not been done as these are used interchangeably between segments. Accordingly no disclosure relating to such has been made.

## Consolidated Financial Results for the quarter and audited results for the year ended March 31, 2022

## Balance Sheet as at March 31, 2022 (Consolidated - Audited)

Rs. in Million

Particulars	Rs. in Million	
	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
(a) Property, Plant and Equipment	26,823	24,632
(b) Capital Work-in-Progress	1,651	1,183
(c) Right-of-Use Asset	9,372	10,072
(d) Investment Property	797	891
(e) Goodwill	74,258	40,082
(f) Other Intangible Assets	36,586	14,508
(g) Investment accounted using Equity method	1,969	279
(h) Financial Assets		
(i) Investments	2,510	5,478
(ii) Trade Receivables		
(1) Billed	9	25
(ii) Loans	136	47
(iv) Other Financial Assets	4,732	4,698
(i) Income Tax Assets (Net)	25,137	20,288
(j) Deferred Tax Assets (Net)	8,191	9,133
(k) Other Non-Current Assets	11,979	12,865
<b>Total Non - Current Assets</b>	<b>204,150</b>	<b>144,181</b>
<b>Current Assets</b>		
(a) Inventories	405	242
(b) Financial Assets		
(i) Investments	44,359	96,619
(ii) Trade Receivables		
(1) Billed	74,676	64,728
(2) Unbilled	44,658	25,589
(iii) Cash and Cash Equivalents	37,889	26,904
(iv) Other Balances with Banks	1,856	1,448
(v) Other Financial Assets	6,750	7,738
(c) Other Current Assets	33,964	29,331
<b>Total Current Assets</b>	<b>244,557</b>	<b>252,599</b>
<b>Total Assets</b>	<b>448,707</b>	<b>396,780</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share Capital	4,388	4,370
(b) Other Equity	264,469	244,280
Equity Attributable to Owners of the Company	268,857	248,650
Non controlling Interest	4,954	3,795
<b>Total Equity</b>	<b>273,811</b>	<b>252,445</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	1,420	1,658
(ii) Lease liabilities	7,200	8,077
(iii) Other Financial Liabilities	14,780	9,225
(b) Provisions	8,811	7,810
(c) Deferred tax liabilities (Net)	4,552	761
(d) Other Non-Current Liabilities	781	1,725
<b>Total Non - Current Liabilities</b>	<b>37,544</b>	<b>29,256</b>
<b>Current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	14,397	15,270
(ii) Lease liabilities	3,167	4,003
(iii) Trade Payables	40,947	27,850
(iv) Other Financial Liabilities	30,244	20,600
(b) Provisions	6,716	5,311
(c) Income Tax Liabilities (Net)	10,441	11,143
(d) Other Current Liabilities	19,136	18,598
<b>Total Current Liabilities</b>	<b>125,048</b>	<b>102,775</b>
Suspense Account (Net)	12,304	12,304
<b>Total Equity and Liabilities and Suspense Account</b>	<b>448,707</b>	<b>396,780</b>

## Consolidated Financial Results for the quarter and audited results for the year ended March 31, 2022

Cash Flow Statement ( Consolidated-Audited )	Rs. in Million	
	Particulars	
	Financial year ended	
	March 31, 2022	March 31, 2021
<b>A Cash Flow from Operating Activities</b>		
Profit Before Tax	74,521	59,529
Adjustments for :		
Depreciation and Amortisation Expense	15,204	14,577
Bad debts and advance written off, allowance/(reversal) of doubtful receivables/unbilled revenue and advances (net)	388	2,605
Share of (Profit) Associates	(28)	(12)
Net gain on disposal of Property, Plant and Equipment and Intangible Assets	(63)	(14)
Finance Costs	1,626	1,740
Unrealised Exchange (Gain) / Loss (net)	(815)	2,431
Share Based Payments to Employees	905	1,330
Interest Income	(904)	(1,885)
Rental Income	(415)	(407)
Dividend Income on Investments carried at fair value through profit and loss	(91)	(2)
Gain on Investments carried at fair value through profit and loss (net)	(2,583)	(1,593)
Change in fair valuation of Contractual Obligations	2,588	1,373
Gain on sale of subsidiary and dilution of Associate	-	(730)
Impairment of Goodwill and Non Current Assets	-	507
	<b>90,333</b>	<b>79,449</b>
Net Change in :		
Trade Receivables and Contract assets	(28,951)	15,495
Other financial assets and other assets	(4,671)	968
Trade Payables	9,785	(6,195)
Unearned revenue and deferred revenue	3,776	1,259
Other financial liabilities, other liabilities and provisions	5,718	4,108
	(14,343)	15,635
Cash generated from operating activities before taxes	75,990	95,084
Income taxes paid, net	(23,137)	(14,146)
<b>Net cash generated from operating activities (A)</b>	<b>52,853</b>	<b>80,938</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment and Intangible Assets	(9,584)	(6,660)
Proceeds from Sale of Property, Plant and Equipment, Investment property and Intangible Assets	1,231	935
Purchase of Mutual Funds, Debentures and Other Investments	(219,638)	(285,388)
Proceeds from sale / redemption of Mutual Funds, Debentures and Other Investments	277,403	245,234
Proceeds from sale of subsidiary	725	-
Payment for acquisition of business and Non Controlling Interest , net of cash acquired	(46,613)	(11,340)
Rental Income	729	348
Fixed Deposit/ Margin Money Placed	(1,877)	(16,639)
Fixed Deposit/ Margin Money Matured	1,355	16,796
Interest Income Received	1,084	2,213
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>4,815</b>	<b>(54,501)</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from issuance of equity shares from exercise of stock options	868	569
Payment of dividend	(39,808)	(17,594)
Transaction with non controlling interest	307	688
Proceeds from Long-Term Borrowings	621	92
Repayment of Long-Term Borrowings	(216)	(376)
Movement in Short-Term Borrowings (net)	(2,030)	(7,665)
Repayment of lease liabilities	(5,177)	(3,794)
Finance Costs paid	(1,231)	(1,789)
<b>Net cash used in financing activities (C)</b>	<b>(46,666)</b>	<b>(29,869)</b>
Net Increase / (decrease) in cash and cash equivalents during the year (D=A+B+C)	11,002	(3,432)
Effect of exchange rate changes on cash and cash equivalents (E)	(17)	169
<b>Cash and Cash Equivalents at the beginning of the year (F)</b>	<b>26,904</b>	<b>30,167</b>
<b>Cash and Cash Equivalents at the end of the year (G=D+E+F)</b>	<b>37,889</b>	<b>26,904</b>

**Notes :**

1 These results have been prepared on the basis of the consolidated audited financial statements for the year ended March 31, 2022 and published unaudited consolidated financial results for nine months ended December 31, 2021, which are prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules 2015. The quarterly and yearly 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 May 13, 2022.

2 The Board of Directors has recommended a final dividend of Rs.15 and a special dividend of Rs.15 per equity share on face value of Rs.5 each (600%).

**3 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 endorsed 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 recorded separately from equity and liability of the Company in the books of account.

4 a) The Holding Company and its subsidiaries, pursuant to a share purchase agreement, acquired 100% stake in:

i. DigitalOnUs Inc., (USA) on May 06, 2021 for a total consideration of Rs. 8,319 Million of which Rs. 6,550 Million was paid upfront and balance linked to performance conditions.

ii. Eventus Solution Group LLC, (USA) on June 18, 2021 for a total consideration of Rs. 2,804 Million of which Rs. 2,494 Million was paid upfront and balance linked to performance conditions.

iii. Green Investments LLC, (USA) on December 31, 2021 for a total consideration of Rs. 7,733 Million of which Rs. 6,779 Million was paid upfront and balance linked to performance conditions.

iv. Infostar LLC, (USA) on October 25, 2021 for a total consideration of Rs. 6,634 Million of which Rs. 4,379 Million was paid upfront and balance linked to performance conditions.

v. Activus Connect LLC, (USA) on December 03, 2021 for a total consideration of Rs. 3,042 Million.

vi. BrainScale Inc., (USA) on November 16, 2021 for a total consideration of Rs. 1,419 Million of which Rs. 714 Million was paid upfront and balance linked to performance conditions.

vii. We Make Websites Limited, (UK) on October 25, 2021 for a total consideration of Rs. 1,074 Million of which Rs. 516 Million was paid upfront and balance linked to performance conditions.

viii. Beris Consulting GmbH, (Germany) on October 01, 2021 for a total consideration of Rs. 605 Million of which Rs. 519 Million was paid upfront and balance linked to performance conditions.

ix. Com Tec Co IT Ltd, (Cyprus) on January 17, 2022 for a total consideration of Rs. 25,786 Million of which Rs. 19,260 Million was paid upfront and balance linked to performance conditions.

b) The Company, pursuant to a share purchase agreements, through its subsidiaries acquired 80% stake in Geomatic.ai Pty Ltd, (Australia) on February 16, 2022 for a total consideration of Rs. 322 Million which was paid upfront.

c) The Holding Company and its subsidiary pursuant to Business purchase agreement acquired business from below entities :

i. the Holding Company acquired the business of M/s BrainScale (India) on December 03, 2021 for a total consideration of Rs. 154 Million.

ii. The Holding Company, pursuant to a business purchase agreement acquired 100% business of Lodestone Software Service Private Limited on October 25, 2021 for total consideration of Rs. 498 Million.

iii. A subsidiary of the company acquired video processing platform and all related intellectual property from MK System USA Inc. in March 2022 for total consideration of Rs. 1,507 Million.

The purchase consideration mentioned above is excluding the employment linked contingent consideration.

5 Tax expense for the Quarter Ended ("QE") March 31, 2022 includes Rs. 126 Million pertaining to earlier periods [QE December 31, 2021: Rs. Nil ; QE March 31, 2021: includes Rs. 793 Million pertaining to earlier periods].

Tax expense for the Year ended ("YE") March 31, 2022 is net of reversal of Rs. 185 Million relating to earlier periods and tax expense for the YE March 31, 2021 includes Rs. 793 Million pertaining to earlier periods.

6 Previous period's figures have been regrouped wherever necessary.

**7 Emphasis of Matter**

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

With relation to Note 3 in respect of certain matters relating to erstwhile Satyam Computer Services Limited (erstwhile Satyam), amalgamated with the Holding 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 INR 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 claim and external legal opinion, believes that 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 consolidated audited financial results.

8 The figures for the quarter ended March 31, 2022 and March 31, 2021, are balancing figure between the audited figures for the year ended March 31, 2022 and March 31, 2021 and the published year-to-date figures for nine months ended December 31, 2021 and December 31, 2020 respectively.

9 The consolidated audited 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 : May 13, 2022

Place : Mumbai

C. P. Gurnani

Managing Director & CEO