

**Tech Mahindra Limited**

Registered Office : Gateway Building, Apollo Bunder, Mumbai 400 001. Website : www.techmahindra.com  
Email : investor.relations@techmahindra.com. CIN : L64200MH1986PLC041370

**Standalone Financial Results for the quarter and audited results for the year ended March 31, 2023**

Rs. in Million except Earnings per share

|    | Particulars  | Quarter ended               |                                |                             | Year ended                  |   |
|----|--|-----------------------------|--------------------------------|-----------------------------|-----------------------------|---|
|    |  | March 31, 2023<br>(Note 10) | December 31, 2022<br>(Audited) | March 31, 2022<br>(Note 10) | March 31, 2023<br>(Audited) | March 31, 2022<br>(Audited)<br>(Note 3) |
| 1  | Revenue from Operations  | 109,385                     | 109,876                        | 95,605                      | 426,573                     | 357,611                                 |
| 2  | Other Income   | 796                         | 3,686                          | 2,437                       | 11,283                      | 14,468                                  |
| 3  | <b>Total Income (1 + 2)</b>  | <b>110,181</b>              | <b>113,562</b>                 | <b>98,042</b>               | <b>437,856</b>              | <b>372,079</b>                          |
| 4  | Expenses   |                             |                                |                             |                             |   |
|    | Employee Benefit Expenses  | 39,368                      | 38,181                         | 31,112                      | 149,693                     | 117,298                                 |
|    | Subcontracting Expenses  | 43,040                      | 43,032                         | 39,324                      | 170,368                     | 137,957                                 |
|    | Finance Costs  | 569                         | 585                            | 191                         | 1,808                       | 689                                     |
|    | Depreciation and Amortisation Expense                                    | 2,021                       | 1,952                          | 2,160                       | 8,129                       | 7,403                                   |
|    | Other Expenses   | 15,206                      | 14,714                         | 9,420                       | 53,309                      | 39,772                                  |
|    | Impairment of non-current investments (Refer note 7)                     | 1,337                       | -                              | 3,235                       | 5,508                       | 4,669                                   |
|    | <b>Total Expenses</b>  | <b>101,541</b>              | <b>98,464</b>                  | <b>85,442</b>               | <b>388,815</b>              | <b>307,788</b>                          |
| 5  | Profit before Tax (3 - 4)  | 8,640                       | 15,098                         | 12,600                      | 49,041                      | 64,291                                  |
| 6  | Tax Expense (Refer note 8)   |                             |                                |                             |                             |   |
|    | Current Tax  | 2,042                       | 3,277                          | (229)                       | 12,027                      | 12,812                                  |
|    | Deferred Tax   | (169)                       | (223)                          | 1,929                       | (761)                       | 1,246                                   |
|    | <b>Total Tax Expense</b>   | <b>1,873</b>                | <b>3,054</b>                   | <b>1,700</b>                | <b>11,266</b>               | <b>14,058</b>                           |
| 7  | Profit after tax (5 - 6)   | 6,767                       | 12,044                         | 10,900                      | 37,775                      | 50,233                                  |
| 8  | Other Comprehensive Income / (Loss)                                      |                             |                                |                             |                             |   |
|    | A. Items that will not be reclassified to Profit / (Loss) (net of taxes) | (26)                        | 68                             | (52)                        | 53                          | (270)                                   |
|    | B. Items that will be reclassified to Profit / (Loss) (net of taxes)     | 497                         | (3,517)                        | (347)                       | (2,533)                     | 1,470                                   |
|    | <b>Total Other Comprehensive Income / (Loss) (A+B)</b>                   | <b>471</b>                  | <b>(3,449)</b>                 | <b>(399)</b>                | <b>(2,480)</b>              | <b>1,200</b>                            |
| 9  | <b>Total Comprehensive Income (7 + 8)</b>                                | <b>7,238</b>                | <b>8,595</b>                   | <b>10,501</b>               | <b>35,295</b>               | <b>51,433</b>                           |
| 10 | Paid-up Equity Share Capital (Face Value of Share Rs. 5)                 | 4,871                       | 4,869                          | 4,859                       | 4,871                       | 4,859                                   |
| 11 | Total Reserves   |                             |                                |                             | 247,168                     | 257,238                                 |
| 12 | Earnings Per Equity Share in Rs.   |                             |                                |                             |                             |   |
|    | <i>EPS for the quarter ended periods are not annualised</i>              |                             |                                |                             |                             |   |
|    | - Basic  | 6.93                        | 12.34                          | 11.20                       | 38.69                       | 51.62                                   |
|    | - Diluted  | 6.90                        | 12.29                          | 11.12                       | 38.54                       | 51.24                                   |

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**Standalone Financial Results for the quarter and audited results for the year ended March 31, 2023**

| Balance Sheet as at March 31, 2023 (Standalone - Audited)                      | Rs. in Million          |                                     |
|--|-------------------------|-------------------------------------|
| Particulars  | As at<br>March 31, 2023 | As at<br>March 31, 2022<br>(Note 3) |
| <b>ASSETS</b>  |                         |                                     |
| <b>Non-Current Assets</b>  |                         |                                     |
| (a) Property, Plant and Equipment  | 21,710                  | 20,438                              |
| (b) Capital Work-in-Progress   | 476                     | 1,361                               |
| (c) Right-of-Use Asset   | 5,521                   | 5,553                               |
| (d) Investment Property  | 748                     | 797                                 |
| (e) Goodwill   | 3,204                   | 3,204                               |
| (f) Other Intangible Assets  | 5,231                   | 6,304                               |
| (g) Financial Assets   |                         |                                     |
| (i) Investments  | 108,226                 | 109,903                             |
| (ii) Trade Receivables<br>- Billed   | -                       | -                                   |
| (iii) Other Financial Assets   | 1,753                   | 3,281                               |
| (h) Current Tax Assets (Net)   | 26,554                  | 19,878                              |
| (i) Deferred Tax Assets (Net)  | 4,358                   | 2,743                               |
| (j) Other Non-Current Assets   | 9,132                   | 6,770                               |
| <b>Total Non - Current Assets</b>  | <b>186,913</b>          | <b>180,232</b>                      |
| <b>Current Assets</b>  |                         |                                     |
| (a) Financial Assets   |                         |                                     |
| (i) Investments  | 24,977                  | 35,417                              |
| (ii) Trade Receivables   |                         |                                     |
| (1) Billed   | 65,246                  | 62,510                              |
| (2) Unbilled   | 38,270                  | 36,498                              |
| (iii) Cash and Cash Equivalents  | 10,940                  | 12,495                              |
| (iv) Bank Balances other than (iii) above                                      | 1,098                   | 1,124                               |
| (v) Other Financial Assets   | 4,560                   | 6,490                               |
| (b) Other Current Assets   | 28,348                  | 20,828                              |
| <b>Total Current Assets</b>  | <b>173,439</b>          | <b>175,362</b>                      |
| <b>Total Assets</b>  | <b>360,352</b>          | <b>355,594</b>                      |
| <b>EQUITY AND LIABILITIES</b>  |                         |                                     |
| Equity   |                         |                                     |
| (a) Equity Share Capital   | 4,871                   | 4,859                               |
| (b) Other Equity   | 247,168                 | 257,238                             |
| <b>Total Equity</b>  | <b>252,039</b>          | <b>262,097</b>                      |
| <b>Liabilities</b>   |                         |                                     |
| <b>Non-current liabilities</b>   |                         |                                     |
| (a) Financial Liabilities  |                         |                                     |
| (i) Lease liabilities  | 3,708                   | 4,150                               |
| (ii) Other Financial Liabilities   | 2,313                   | 2,956                               |
| (b) Provisions   | 6,090                   | 6,237                               |
| (c) Other Non-Current Liabilities  | 247                     | 646                                 |
| <b>Total Non - Current Liabilities</b>   | <b>12,358</b>           | <b>13,989</b>                       |
| <b>Current liabilities</b>   |                         |                                     |
| (a) Financial Liabilities  |                         |                                     |
| (i) Lease liabilities  | 2,083                   | 2,019                               |
| (ii) Trade Payables  |                         |                                     |
| (1) Total outstanding dues of micro and small enterprises                      | 290                     | 222                                 |
| (2) Total outstanding dues of creditors other than micro and small enterprises | 40,782                  | 30,231                              |
| (iii) Other Financial Liabilities  | 15,651                  | 15,498                              |
| (b) Provisions   | 3,509                   | 3,243                               |
| (c) Current Tax Liabilities (Net)  | 11,209                  | 6,918                               |
| (d) Other Current Liabilities  | 10,127                  | 9,073                               |
| <b>Total Current Liabilities</b>   | <b>83,651</b>           | <b>67,204</b>                       |
| Suspense Account (Net)   | 12,304                  | 12,304                              |
| <b>Total Equity and Liabilities and Suspense Account</b>                       | <b>360,352</b>          | <b>355,594</b>                      |

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**Standalone Financial Results for the quarter and audited results for the year ended March 31, 2023**

| Cash Flow Statement ( Standalone-Audited )   | Rs. in Million       |                           |
|--|----------------------|---------------------------|
|  | Financial year ended |                           |
|  | March 31,2023        | March 31,2022<br>(Note 3) |
| <b>Particulars</b>   |                      |                           |
| <b>A) Cash Flow from Operating Activities</b>  |                      |                           |
| Profit before Tax  | 49,041               | 64,291                    |
| Adjustments for :  |                      |                           |
| Depreciation and Amortization Expense  | 8,129                | 7,403                     |
| Bad debts and advance written off, allowance/(reversal) of doubtful receivables/unbilled revenue and advances (net)  | 3,060                | (1,138)                   |
| Net (gain)/loss on disposal of Property, Plant and Equipment and Intangible Assets                                   | (20)                 | (47)                      |
| Finance Costs  | 1,808                | 637                       |
| Unrealized Exchange (gain)/Loss (net)  | 1,653                | (1,872)                   |
| Share Based Payments to Employees  | 677                  | 712                       |
| Loss on sale of investment in subsidiaries (Net)   | 653                  | -                         |
| Impairment of non current investments  | 5,508                | 4,669                     |
| Interest Income  | (848)                | (741)                     |
| Rental Income  | (261)                | (349)                     |
| Dividend Income on Investments / Distributions from Subsidiaries   | (4,629)              | (4,630)                   |
| Gain on investments carried at fair value through profit and loss (net)  | (944)                | (2,435)                   |
| Change in fair valuation of contractual obligation   | -                    | 1,444                     |
|  | <b>63,827</b>        | <b>67,944</b>             |
| Net change in:   |                      |                           |
| Trade Receivable and contract assets   | (14,194)             | (28,159)                  |
| Other financial assets and other assets  | (5,401)              | (3,288)                   |
| Trade Payables   | 10,381               | 5,847                     |
| Unearned revenue and deferred revenue  | 356                  | 1,406                     |
| Other financial liabilities, other liabilities and provisions  | 464                  | 6,420                     |
|  | <b>(8,394)</b>       | <b>(17,774)</b>           |
| Cash generated from operating activities before taxes  | 55,433               | 50,170                    |
| Income taxes paid, net   | (14,412)             | (18,042)                  |
| <b>Net cash generated from Operating activities (A)</b>  | <b>41,021</b>        | <b>32,128</b>             |
| <b>B) Cash Flow from Investing Activities</b>  |                      |                           |
| Purchase of Property, Plant and Equipment and Intangible Assets  | (5,555)              | (6,305)                   |
| Proceeds from Sale of Property, Plant and Equipment and Intangible Assets  | 28                   | 83                        |
| Purchase of Mutual Funds, Debentures and Other Investments   | (212,264)            | (204,490)                 |
| Proceeds from sale/ redemption of Mutual Funds, Debentures and Other Investments                                     | 226,033              | 263,047                   |
| Dividend Income on Investments / Distributions from Subsidiaries   | 10,461               | 5,621                     |
| Investment in Associates and Subsidiaries (including payment towards acquisition of business (net of cash acquired)) | (12,767)             | (43,587)                  |
| Loans to Related Party   | (500)                | -                         |
| Loan repaid by Related Party   | 500                  | -                         |
| Rental Income  | -                    | 525                       |
| Fixed Deposit / Margin Money Placed  | (125)                | (541)                     |
| Fixed Deposit / Margin Money Realized  | 194                  | 291                       |
| Interest income received   | 763                  | 905                       |
| <b>Net cash generated from Investing activities (B)</b>  | <b>6,768</b>         | <b>15,549</b>             |
| <b>C) Cash Flow from Financing Activities</b>  |                      |                           |
| Proceeds from issuance of equity shares from exercise of stock options   | 428                  | 819                       |
| Payment of dividend  | (46,705)             | (44,624)                  |
| Repayment of lease liabilities   | (2,265)              | (1,648)                   |
| Finance costs paid   | (1,373)              | (620)                     |
| <b>Net cash from/(used in) Financing activities (C)</b>  | <b>(49,915)</b>      | <b>(46,073)</b>           |
| <b>Net Increase/(decrease) in cash and cash equivalents during the year (D) = (A+B+C)</b>                            | <b>(2,126)</b>       | <b>1,604</b>              |
| Effect of exchange rate changes on cash and cash equivalents (E)   | 571                  | 210                       |
| <b>Cash and Cash Equivalents at the beginning of the year (F)</b>  | <b>12,495</b>        | <b>10,681</b>             |
| <b>Cash and Cash Equivalents at the end of the year (G) = (D+E+F)</b>  | <b>10,940</b>        | <b>12,495</b>             |

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Standalone Financial Results for the quarter and audited results for the year ended March 31, 2023

### Notes :

- 1 These results have been prepared on the basis of the audited standalone financial statements 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 April 27, 2023.
- 2 The Board of Directors has recommended a final dividend of Rs. 32 per equity share on face value of Rs.5 each (640%).
- 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 subsidiary 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 , the merger has been accounted on April 1, 2021 and accordingly, the financial results for the corresponding and comparative periods have been restated. The reserves and surplus has increased by Rs. 2,384 Million on April 1, 2021.
- 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 Pursuant to a share purchase agreement, the Company acquired 100% stake in Thirdware Solutions Limited (India) on June 3, 2022 for a total consideration of Rs. 7,838 Million of which Rs. 6,708 Million was paid upfront, including adjustment for cash and net working capital. The remaining consideration is linked to performance conditions.
- 6 During the year ended March 31, 2023, 2,313,996 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. 12 Million and securities premium by Rs. 438 Million.
- 7 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. 5,508 Million in the statement of profit and loss for the year ended March 31, 2023. (Quarter Ended ("QE") March 31, 2023: Rs.1,337 Million) (QE December 31, 2022 : Rs. Nil) (QE March 31, 2022: Rs. 3,235 Million) (Year ended March 31, 2022: Rs. 4,669 Million).
- 8 Tax expense for the Quarter Ended ("QE") March 31, 2023 is net reversals of Rs. Nil of earlier periods. (QE December 31, 2022: Rs. 201 Million ; QE March 31, 2022: Rs. 128 Million).  
Tax expense for the Year ended ("YE") March 31, 2023 is net of reversal of Rs. 201 Million of earlier periods (YE March 31, 2022: Rs. 690 Million).
- 9 **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 standalone financial results.
- 10 The figures for the quarter ended March 31, 2023 and March 31, 2022, are balancing figure between the audited figures for the year ended March 31, 2023 and March 31, 2022 and the published year-to date figures for nine months ended December 31, 2022 '(audited)' and December 31, 2021 '(unaudited)' respectively.
- 11 The audited standalone 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 : April 27, 2023  
Place : Pune

C. P. Gurnani  
Managing Director & CEO