

TECH MAHINDRA BUSINESS SERVICES LIMITED

Board of Directors

Mr. Birendra Sen
Mr. Sujit Baksi
Ms. Kunal Jesrani

Registered Office

Spectrum Towers,
MindSpace Complex,
Off Link Road,
Malad (West), Mumbai- 400 064

Bankers

Kotak Mahindra Bank Limited
HSBC Bank Limited
Bank of Ireland

Statutory Auditors

B S R & Co. LLP
Chartered Accountants

BOARD'S REPORT

Your Directors present their Seventeenth Annual Report together with the audited Accounts of the Company for the year ended March 31, 2022.

FINANCIAL SUMMARY / RESULTS

(Amount in ₹)

For the year ended	March 31 st 2022	March 31 st 2021
Income	9,087,269,212	7,950,037,126
Expenditure	6,041,630,468	5,642,773,615
Depreciation	734,843,291	741,584,992
Profit/(Loss) Before Tax & Extra Ordinary items	2,310,795,453	1,565,678,519
Provision for Taxation	354,400,528	357,808,858
Deferred Taxes Charge/ (Credit)	(38,662,570)	7,650,690
Profit/ (Loss) after Tax	1,995,057,495	1,200,218,971
Profit /(Loss) Carried forward to Balance Sheet	1,995,057,495	1,200,218,971

DIVIDEND

The Board of Directors declared an Interim Dividend @ ₹ 1000/- per equity share on the Face Value of ₹ 10/- during the financial year 2021-22. The dividend pay-out was ₹ 1,000 million. Your Directors are of the opinion that the said Interim Dividend be treated as final dividend for the financial year 2021-22.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there is no unpaid/unclaimed Dividend as on 31st March, 2022, the provisions of Section 125 of the Companies Act, 2013, read with rules framed there under, does not apply.

RESERVES

The Board does not propose to carry any amount to General Reserves of the Company.

BUSINESS OVERVIEW / STATE OF COMPANY'S AFFAIRS

The operational income during the financial year 2021-22 is ₹ 8,892 million against the previous year ₹ 7,855 million. The profit before tax is ₹ 2,310 million against the previous year ₹ 1,566 million.

The head count of the Company was 6925 in March 2022 vis a vis 7801 in March 2021.

During the year the Company has earned a mutual fund gain of ₹ 98 million. The Company invests all its surplus funds in debt (Liquid, Growth, Low duration schemes) funds which provide slightly better post tax yield than a traditional FDs or ICDs.

There are no changes in the nature of the business carried out by your Company during the period under review nor there any material changes or commitments affecting the financial position of the Company after the closure of the financial year of the Company and till the date of the subject Board's Report.

MERGER SCHEME RELATED UPDATES

On January 29, 2021, the Board of Directors of the Company passed a resolution to consider and approve the Scheme of Merger by Absorption of the Company and Born Commerce Private Limited (Fellow Subsidiary) with its holding company Tech Mahindra Limited and their respective shareholders under the provisions of section 230 to 232 of the Companies Act, 2013. Accordingly, the Company has filed the application before Hon'ble National Company Law Tribunal ("NCLT"), Mumbai. The appointed date under the proposed scheme is April 1, 2021. However, as the Hon'ble National Company Law Tribunal, Mumbai ("NCLT") is yet to approve the same, the Scheme is not yet effective. The Company has filed petition with Mumbai NCLT for sanctioning the scheme on January 22, 2022. The petition admission hearing is pending with NCLT.

There are no material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Further no application against the Company has been filed or is pending under the Insolvency and Bankruptcy Code, 2016, nor the Company has done any one time settlement with any Bank or Financial institutions.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the balance sheet date.

TECH MAHINDRA BUSINESS SERVICES LIMITED

STATUTORY AUDITORS

The members at their meeting held on 12th July, 2018 appointed M/s B S R & Co. LLP, Chartered Accountants, [ICAI Firm Registration No. 101248W/W-100022] as the Statutory Auditors of the Company for the period of five years with effect from Financial Year 2018-19 i.e. from the conclusion of the thirteen Annual General Meeting held in Financial year 2018-19 till the conclusion of the Annual General Meeting for the Financial Year 2022-23.

Pursuant to the amendment to Section 139 of the Companies Act, 2013 which was notified on May 7, 2018, ratification of appointment of Statutory Auditors at every AGM is no longer required.

There are no qualifications, reservation or adverse remark or disclaimer made in the audit report for the Financial Year 2021-22. Further there are no frauds reported by the auditors during the year under review.

The Company has received a certificate from M/s B S R & Co. LLP, Chartered Accountants to the effect that they are eligible in terms of Section 141 of the Companies Act, 2013 to act as statutory auditors of the Company.

SHARE CAPITAL

The Company has not issued any equity shares carrying differential rights, sweat equity shares, employee stock options nor provided money for purchase of its own shares by employees or by trustees for the benefit of employees during the financial year. The Company's paid up equity capital is ₹ 10,000,000/- comprising of 1,000,000 equity shares of Face Value ₹ 10/- each.

ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the Financial Year ended 31st March, 2022 is uploaded on the website of the Company and can be accessed at <https://techmbs.in/about-techmahindra-business-services/compliance-and-policies>

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company is committed to play its role as an enlightened corporate citizen. The CSR vision of the Company is "Empowerment through Education."

Pursuant to the guidelines prescribed under Section 135 of the Companies Act, 2013, your Board has formed a CORPORATE SOCIAL RESPONSIBILITY (CSR) Committee and the CSR Policy as recommended by the CSR Committee was also approved by the Board. The policy is uploaded on the website of the Company.

The disclosures as per Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time is forming part of the Board's report as **Annexure 1**.

DIRECTORS

During the year Ms. Suchitra Kerkar resigned as Director with effect from 30th April, 2021, Mr. Manoj Bhat resigned as Director with effect from 30th July, 2021 and Mr. Ritesh Idnani resigned as Director with effect from 10th September, 2021.

Pursuant to the provisions of the section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, Ms. Kunal Jesrani was appointed as Director with effect from 20th July, 2021.

Pursuant to the provisions of Section 152(6)(c) of the Companies Act 2013, Mr. Sujit Baksi, Director is liable to retire by rotation and being eligible offers himself for reappointment.

BOARD AND COMMITTEES OF BOARD

The Ministry of Corporate Affairs by its Notification dated 13th July, 2017 amended Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014. The provisions in respect of appointment of independent directors on the board of unlisted wholly owned subsidiary Company are no more applicable.

Also such unlisted wholly owned subsidiary Company need not constitute/have Audit Committee and Nomination & Remuneration Committee of the Board.

The CSR Committee of the Company comprises of following members Mr. Sujit Baksi, Mr. Birendra Sen and Ms. Kunal Jesrani. During the Financial year 2021-22, 1 (One) meeting of the CSR Committee was held on 19th April, 2021.

During the Financial Year 2021-22, 6 (six) Board meetings were held on 19.04.2021, 20.07.2021, 18.10.2021, 14.12.2021, 18.01.2022, 28.03.2022 The Governance Policies comprising of Policy on Appointment and removal of Directors, Policy on Remuneration to the Directors and other Employees is available on the website of the Company.

STATEMENT OF COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS

Your Directors state that the Company has complied with the applicable Secretarial Standards during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The particulars of loans/advances, guarantees and investments under Section 186 of the Companies Act, 2013 are given in the notes forming part of the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with Related Parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The particulars of related party transactions in prescribed **Form AOC -2** is annexed herewith as **Annexure 2**.

PARTICULARS OF EMPLOYEES

The information required under Rule 5(2) & of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, pursuant to first proviso to Section 136(1) of the Act, this Report is being sent to the Shareholders excluding the aforesaid information. Any shareholder interested in obtaining said information, may write to the Company at the Registered Office / Corporate Office of the Company and the said information is open for inspection at the Registered Office of the Company.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report given by Mr. Yogesh Kandalgaonkar, Practising Company Secretary, Pune is annexed with the Board's Report as **Annexure 3**. The Secretarial Audit report is unqualified and without any reservation or adverse remark.

COST RECORDS AND AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

RISK MANAGEMENT POLICY

The Company believes that it operates in a business environment that is characterized by increasing globalization of markets, intensifying competition and is exposed to multiple risks in the ordinary course of business. This is inevitable, as there can be no entrepreneurial activity without the acceptance of risks and associated profit opportunities.

The Company's risk management objectives are:

- Identify and manage existing and new risks in a planned and coordinated manner with the minimum of disruption and cost.
- Develop a "risk" culture that encourages all staff to identify risks and associated opportunities and to respond to them with effective action plans.

Risk identification refers not only to the systematic identification of risks but also to the identification of their root causes & impact. It is a continuous process for existing as well as new risks emerging out of evolving business dynamics.

The Company follows a process of identifying any risks and communicates the same to the Risk Management Oversight Committee (RMOC) through Risk Managers for monitoring.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

Your Company has an adequate system of internal controls commensurate with its size and the nature of its business. It ensures that transactions are authorized, recorded, and reported correctly apart from safeguarding its assets against loss from wastage, unauthorized use and disposition.

The internal control system is supplemented by well documented policies, guidelines and procedures. The Purpose of the internal audit is to provide independent and objective reviews on a continuous basis with assessments of the policies, business activities, operations, systems and controls followed within the Company to add value, improve processes and assist the organisation to achieve its goals and objectives. The Internal audit scope is prepared in accordance with the internal policy and processes as well as external regulatory and other compliances.

TECH MAHINDRA BUSINESS SERVICES LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 134(5) of the Companies Act, 2013, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the directors have prepared the annual accounts on a going concern basis;
- (v) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

HUMAN RESOURCE MANAGEMENT

Employees are the core of our business and are our most valuable assets. Our Focus is to deliver Fantastic People Experience for all our employees. We are proud winners of three consecutive wins of the Gallup Great Workplace Awards. We are amongst the Top 40 organizations worldwide to be recognized for our cutting-edge Best People Practices.

We have successfully sustained and enhanced our organization's culture through employee centric initiatives such as Employee Assistance Program, Helping Hands, Diversity and Inclusive program, Gift a Leave, Fun Days, Celebration of Festivals, Focus on Development, Employee Growth Initiatives, Employee Surveys, Monthly Performance Incentives for advisors and contemporary learning and development initiatives. During the last 2 years we have taken several initiatives like Flexible and Remote Working, Reimbursement of Covid 19 Vaccine for our employees, Reimbursement of Internet Allowance, Antigen Testing @ office, Vaccination Drives @ office, Online Campaign to increase awareness on Covid 19, myths and precautions, Support given to employees who got impacted by Covid 19 etc., and kept employee wellness as our top most priority.

During the year we have hired around 3468 employees, with around 96% sourced through internal channels, this has had a very positive impact of an overall reduction in recruitment costs. Through our multipronged people management strategy we have been able to nurture talent and have created opportunities for both personal and professional growth across the organization and the group for our employees.

POLICY FOR PREVENTION OF SEXUAL HARASSMENT

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The status of complaints received under POSH and redressed by the POSH Committee of the Company, during the financial year under review, are given below:

- a) Number of complaints received - 11
- b) Number of complaints redressed – 8
- c) Number of complaints pending – 3 (received in March 2022)

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Conservation of Energy & Technology Absorption

The Company being in the service industry, the rules pertaining to conservation of energy does not apply to the Company. The Company is constantly acquiring new hardware and software solutions and upgrading its existing hardware and software to provide more and better services to its customers.

2. Foreign Exchange earnings and outgo

The foreign exchange earnings of your Company during the year were ₹ 8,892 million. (Previous Year - ₹ 7,855 million.) while the outgoings were ₹ 720 million. (Previous Year - ₹ 506 million).

ACKNOWLEDGEMENTS

Your Directors gratefully acknowledge the contributions made by employees towards the success of your Company. Your Directors are also thankful for the co-operation and assistance received from its customers, vendors, bankers, STPI, Excise authorities and other regulatory and governmental authorities in India and abroad and its shareholders.

For and on behalf of the Board of Directors

**Birendra Sen
Director**

**Kunal Jesrani
Director**

Place: Mumbai

Date: April 30, 2022

Format For The Annual Report on CSR Activities to be Included in the Board's Report For Financial Year Commencing on or After 1st Day of April, 2020

1. Brief outline on CSR Policy of the Company.

The CSR vision of Tech Mahindra Business Services Limited (TMBSL) is aligned to the CSR vision of its holding Company, Tech Mahindra Limited (TML), which is "Empowerment through Education." Currently the CSR focus area for TMBSL is promotion of Education. Within this broad theme specific areas such as school education, education for employment, and higher education are included.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Sujit Baksi	Director	1	1
2	Birendra Sen	Director	1	1
3	Kunal Jesrani	Director	1	1

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company. <https://techmbs.in/about-tech-mahindra-business-services/compliance-and-policies>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). - Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2018-19	Nil	Nil
2	2019-20	Nil	Nil
3	2020-21	Nil	Nil
Total		Nil	Nil

6. Average net profit of the Company as per section 135(5). ₹ 1,22,03,85,429

7. (a) Two percent of average net profit of the Company as per section 135(5) ₹ 2,44,07,709

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. ₹ Nil

(c) Amount required to be set off for the financial year, if any ₹ Nil

(d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 2,44,07,709

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount in ₹	Date of transfer	Name of the Fund	Amount in ₹	Date of transfer
FY 2021-22					
2,52,92,815	Nil	NA	NA	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: Nil

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	NA	NA	NA	NA	NA	Nil	NA	NA	NA
	Total					Nil			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹.)	Amount spent in the current financial Year (in ₹.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹.)	Mode of Implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District						Name	CSR registration number
1.	Navjeevan Lokvikas Sanstha	Special Education &	Yes	Maharashtra	Mumbai	12 months	34,51,032	34,51,032	-	No	TMF	CSR00001814
2.	Shield Foundation	Employment enhancing	Yes	Maharashtra	Mumbai	12 months	31,77,002	31,77,002	-	No	TMF	CSR00001814
3.	Utkarsh Mandal	Promoting Education	Yes	Maharashtra	Mumbai	12 months	3,58,997	3,58,997	-	No	TMF	CSR00001814
4.	Mahindra Educational Institutions	Technical Education	No	Telangana	Rangareddy	12 months	1,83,05,784	1,83,05,784	-	No	MEI	CSR00001815
	Total						2,52,92,815	2,52,92,815	-			

(d) Amount spent in Administrative Overheads : ₹ Nil

(e) Amount spent on Impact Assessment, if applicable : Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 2,52,92,815

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	2,44,07,709
(ii)	Total amount spent for the Financial Year	2,52,92,815
(iii)	Excess amount spent for the financial year [(ii)-(i)]	8,85,106
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	8,85,106

TECH MAHINDRA BUSINESS SERVICES LIMITED

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2018-19	Nil	Nil	NA	Nil	NA	Nil
2.	2019-20	Nil	Nil	NA	Nil	NA	Nil
3.	2020-21	Nil	Nil	NA	Nil	NA	Nil
	Total	Nil	Nil		Nil		Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed /Ongoing
1	NA	NA	NA	NA	Nil	Nil	Nil	NA
	Total				Nil	Nil	Nil	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**)

(a) Date of creation or acquisition of the capital asset(s) : **31st March 2022**

(b) Amount of CSR spent for creation or acquisition of capital asset. : ₹ **1,83,05,784**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : **Mahindra Educational Institutions**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). : **Construction of 450 rooms**

Phase II Hostel Building Buildings,

Survey No 62/1A, Bahadurpally Jeedimetla, Hyderabad, India

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : **Not Applicable**

For and on behalf of the Board of Directors

Birendra Sen
Director

Kunal Jesrani
Director

Place: Mumbai

Date: April 30 , 2022

ANNEXURE 2**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto :

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

- (a) Name(s) of the related party and nature of relationship:
 (b) Nature of contracts/arrangements/transactions
 (c) Duration of the contracts/arrangements/transactions
 (d) Salient terms of the contracts or arrangements or transactions including the value, if any
 (e) Justification for entering into such contracts or arrangements or transactions
 (f) Date(s) of approval by the Board
 (g) Amount paid as advances, if any:
 (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis

	Transaction No 1	Transaction No 2	Transaction No 3	Transaction No 4	Transaction No 5	Transaction No 6
(a) Name(s) of the related party and nature of relationship :	Tech Mahindra Limited (Holding Company)	Tech Mahindra Foundation (Associate Company)	Mahindra Engineering & Chemical Products Ltd (Subsidiary Company of Mahindra and Mahindra Limited)	vCustomer Philippines (Cebu) Inc (Associate Company)	Mahindra Educational Institutions (Associate Company)	Mahindra Educational Institutions (Associate Company)
(b) Nature of contracts/arrangements/transactions	Reimbursement of Costs/ Revenue billings/ ESOP / Dividend/ Asset	CSR Contribution	Expenses	Expenses	CSR Contribution	Inter Company Loan
(c) Duration of the contracts / arrangements/transactions	April 21 - March 22	April 21 - March 22	April 21 - March 22	April 21 - March 22	April 21 - March 22	December 21 - March 22
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Reimbursement of Costs	CSR Contribution – ₹7 Mn	Staff welfare Expenses -₹ 64Mn	Subcontracting Expenses	CSR Contribution – ₹18 Mn	Loan given and Loan Repaid ₹ 250 Mn
	- TMBS to TML - ₹ 299 Mn	as per Companies Act, 2013		vcustomer to TMBS- ₹59 Mn	as per Companies Act, 2013	Interest received ₹ 2Mn
	- TML to TMBS - ₹ 174 Mn					
	- Revenue billings					
	- TMBS to TML - ₹416 Mn					
	- ESOP					
	- TML to TMBS ₹ 10 Mn					
	- Software Licences ₹ 5Mn					
	- Interim Dividend					
	- TMBS to TML ₹1.000 Mn					
(e) Date(s) of approval by the Board, if any:	19-Apr-21	19-Apr-21	19-Apr-21	19-Apr-21	19-Apr-21	14-Dec-21
(f) Amount paid as advances, if any:	Nil	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

Birendra Sen
Director

Kunal Jesrani
Director

Place: Mumbai

Date: April 30, 2022

Form No. MR-3
Secretarial Audit Report
For the Financial Year Ended 31.03.2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Tech Mahindra Business Services Limited
Spectrum Towers, Mindspace Complex,
Off Link Road, Malad (West),
Mumbai 400064.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tech Mahindra Business Services Limited (CIN: U72900MH2006PLC159149)**, (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **31st March 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March 2022** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder (Not applicable to the Company during the audit period);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (The Company is an Unlisted Company and the shares of the Company are not in dematerialized form therefore provisions of the Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder are not applicable to the Company during the audit period);
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the audit period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company during the audit period as the Company is an unlisted Company:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) As informed to me, the Company has complied with the following laws applicable specifically to the Company during the audit period:
 - (a) the Information Technology Act, 2000;
 - (b) the Indian Telegraph Act, 1885.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s) and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Not applicable to the Company during the audit period as the Company is an unlisted Company.)

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, (except for two board meetings conducted at a shorter notice, for which all the directors consented unanimously), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board Meetings and Committee Meeting were carried out unanimously as recorded in the minutes of the respective meetings.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the Board of Directors of the Company had in its meeting held on 29th January, 2021 approved the Scheme for Merger by Absorption of the Company (the "Transferor Company") with its holding Company, Tech Mahindra Limited (the "Transferee Company") and their respective Shareholders with Appointed Date as 1st April, 2021 in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, subject to the approvals of the Hon'ble National Company Law Tribunal ("NCLT"), Mumbai. The Transferor Company is a Wholly Owned Subsidiary of the Transferee Company. The Company subsequently filed the petition with the Hon'ble National Company Law Tribunal ("NCLT") Mumbai and the same is pending with the Tribunal.

Yogesh Kandalgaonkar

Company Secretary

FCS No. 6197, C.P. No. 20316

Unique Document Identification Number (UDIN): F006197D000245172

Place: Pune

Date: April 30, 2022

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

TECH MAHINDRA BUSINESS SERVICES LIMITED

Annexure

To,
The Members,
Tech Mahindra Business Services Limited
Spectrum Towers, Mindspace Complex,
Off Link Road, Malad (West), Mumbai 400064.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on audit..
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Yogesh Kandalgaonkar
Company Secretary
FCS No. 6197, C.P. No. 20316
Unique Document Identification Number (UDIN): F006197D000245172

Place: Pune

Date: April 30, 2022

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Tech Mahindra Business Services Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tech Mahindra Business Services Limited (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 23 to the Financial statements.
 - b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long term contracts including derivative contracts. Refer Note 25 to the financial statements.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d)
 - i. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - ii. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
 - iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
 - e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- iv. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Ashish Gupta
Partner
Membership No: 215165
UDIN: 22215165AIEDBX4436

Place: Pune
Date: 30 April 2022

TECH MAHINDRA BUSINESS SERVICES LIMITED

Annexure A to the Independent Auditor's report on the financial statements of Tech Mahindra Business Services Limited for the year ended 31 March 2022

(Referred to in our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering voice based call centre services. Accordingly, it does not hold any physical inventories and thus, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point in time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties. The Company has made investments and extended a loan to one entity during the year in respect of which the requisite information is given in (a) below.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted a loan to a party other than subsidiaries as below:

Particulars	Loans (INR million)
Aggregate amount during the year	250
- Other related party (Mahindra Educational Institutions)	
Balance outstanding as at balance sheet date	-
- Other related party (Mahindra Educational Institutions)	

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made and the terms and conditions of the grant of loans are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of a loan given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular (it may be noted that the loan has also been repaid during the year). Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148 of the Act, for any of the services rendered by the Company. Accordingly, the provisions of paragraph 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective July 1, 2017, these statutory dues has been subsumed into GST. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-Tax, Goods and Services Tax (GST), Duty of Customs and other statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-Tax, GST, Duty of Customs and other statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable, except for the following:

Name of statute	Nature of dues	Amount (₹ in Million)	Period to which the amount relates	Due Date	Date of payment
The Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Employer and employee contribution to Provident fund	0.20	July 2017 to September 2021	Various	Not yet paid

(b) According to the information and explanations given to us, statutory dues relating to Provident Fund, Employees State Insurance, Income-Tax, GST, Service tax, Duty of excise, Sales tax, Value added tax, Duty of Customs or other statutory dues which have not been deposited on account of any dispute, except for the following:

Name of statute	Nature of dues	Amount unpaid (₹ in Million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	377	A.Y. 2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	17	A.Y. 2016-17	Income Tax Appellate Tribunal
Finance Act, 1994	Service tax	86*	F.Y. 2007-08 to 2017-18	Commissioner of Service Tax

* excluding interest but includes penalties

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings during the year and accordingly, has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

TECH MAHINDRA BUSINESS SERVICES LIMITED

- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) The Company does not hold any investment in subsidiary, associate or joint venture (as defined under the Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) The Company does not hold any investment in subsidiary, associate or joint venture (as defined under the Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
 - (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) Based on the information and explanations provided to us, the Company is not required to have a vigil mechanism as per Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, the provisions of Section 177 of the Act are not applicable to the Company and accordingly, the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with Section 188 of the Act, where applicable, and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 - (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
 - (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
 - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
 - (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has six CIC as part of the Group.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the

TECH MAHINDRA BUSINESS SERVICES LIMITED

date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Ashish Gupta

Partner

Membership No. 215165

UDIN: 22215165AIEDBX4436

Place: Pune

Date: 30 April 2022

TECH MAHINDRA BUSINESS SERVICES LIMITED

Annexure B to the Independent Auditor's Report on the financial statements of Tech Mahindra Business Services Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Tech Mahindra Business Services Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Ashish Gupta

Partner

Membership No: 215165

UDIN: 22215165AIEDBX4436

Place: Pune

Date: 30 April 2022

BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Note No	₹ in Million	
		As at March 31, 2022	As at March 31, 2021
I ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	3	616	704
(b) Right-of-Use of asset	4	731	630
(c) Capital Work-In-Progress (Refer note 35)		38	19
(d) Intangible Assets	5	147	47
(e) Financial Assets			
(i) Other Financial Assets	6	88	143
(f) Advance Income Taxes (Net of Provisions)		1,554	1,421
(g) Deferred Tax Assets (net)	7	195	196
(h) Other Non-current Assets	8	507	629
Total Non-Current Assets		3,876	3,789
2 Current Assets			
(a) Financial Assets			
(i) Investments	9	2,854	1,989
(ii) Trade Receivables (Refer note 36)	10		
- Billed		1,198	1,312
- Unbilled		29	-
(iii) Cash and Cash Equivalents	11	529	504
(iv) Other Financial Assets	12	370	53
(b) Other Current Assets	13	264	219
Total Current Assets		5,244	4,077
TOTAL ASSETS		9,120	7,866
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	10	10
(b) Other Equity	15	5,343	4,228
Total equity		5,353	4,238
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities		515	348
(b) Provisions	16	303	195
Total Non-Current Liabilities		818	543
2 Current Liabilities			
(a) Financial Liabilities			
(I) Lease Liabilities		285	369
(II) Trade Payables (Refer note 37 and 38)			
i) Dues of micro and small enterprises		34	15
ii) Dues to trade payables other than micro and small enterprises		354	361
(III) Other Financial Liabilities	17	382	507
(b) Provisions	18	555	483
(c) Current Tax Liabilities (Net)		120	217
(d) Other Current Liabilities	19	1,219	1,133
Total Current Liabilities		2,949	3,085
TOTAL EQUITY AND LIABILITIES		9,120	7,866

See accompanying notes to the financial statements

2 to 42

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022

For Tech Mahindra Business Services Limited**Ashish Gupta****Partner**

Membership No : 215165

Place : Pune

Dated : 30 April 2022

Birendra Sen**Director**

DIN No: 07956092

Place : Mumbai

Dated : 30 April 2022

Kunal Jesrani**Director**

DIN No: 09234267

Place : Mumbai

Dated : 30 April 2022

STATEMENT OF PROFIT AND LOSS

₹ in Million except earnings per Share

Particulars	Note No.	For the year ended March 31,2022	For the year ended March 31,2021
I Revenue from Operations		8,892	7,855
II Other Income	20	194	95
III Total Income (I + II)		9,086	7,950
IV EXPENSES			
(a) Employee Benefit Expense	21	4,915	4,786
(b) Finance Costs		41	62
(c) Depreciation and Amortisation Expense	3,4 & 5	735	742
(d) Other Expenses	22	1,085	794
Total Expenses		6,776	6,384
V Profit Before Tax (III - IV)		2,310	1,566
VI Tax Expense			
(1) Current Tax	31	354	358
(2) Deferred Tax	32	(39)	8
Total Tax Expense		315	366
VII Profit After Tax (V - VI)		1,995	1,200
VIII Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit liabilities		(23)	(10)
(ii) Income tax relating to items that will not be reclassified to profit or loss		6	2
B (i) Items that will be reclassified to profit or loss			
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		183	(110)
(ii) Income tax on items that will be reclassified to profit or loss		(46)	28
Total Other Comprehensive Income (A + B)		120	(90)
IX Total Comprehensive Income (VII + VIII)		2,115	1,110
Earnings per Equity Share			
Basic and Diluted [In ₹.] [Face Value ₹10]	27	1,995	1,200
See accompanying notes to the financial statements	2 to 42		

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022

For Tech Mahindra Business Services Limited**Ashish Gupta****Partner**

Membership No : 215165

Place : Pune

Dated : 30 April 2022

Birendra Sen**Director**

DIN No: 07956092

Place : Mumbai

Dated : 30 April 2022

Kunal Jesrani**Director**

DIN No: 09234267

Place : Mumbai

Dated : 30 April 2022

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

	For the year ended March 31,2022	For the year ended March 31,2021
A. Cash flow from Operating Activities:		
Profit before tax	2,310	1,566
Adjustments for:		
Depreciation and Amortisation Expense	735	742
Interest Income	(10)	(12)
Interest Expenses	41	62
Net gain on disposal of Property, Plant and Equipment	(5)	(2)
Unrealised Exchange (gain) / loss	(94)	38
Gain on sale of Investments (net)	(98)	(69)
Operating profit before working capital changes	2,879	2,325
Changes in working capital:		
Trade Receivables and Other Assets	37	(171)
Trade Payables, Other Liabilities and Provisions	300	23
Cash generated from operations	3,216	2,177
Income taxes paid	(584)	(468)
Net cash flow from operating activities (A)	2,632	1,709
B. Cash flow from Investing activities:		
Purchase of Property, plant and Equipment and Intangible assets (Including Capital Work-in-progress)	(407)	(541)
Disposal of ROU Assets	-	66
Purchase of Mutual Funds	(8,770)	(7,179)
Proceeds from sale of Mutual Funds	8,002	7,322
Proceeds from other investments	-	5
Proceeds from Sale of Property, Plant and Equipment	10	2
Net cash flow (used in) / from investing activities (B)	(1,165)	(325)
C. Cash flow from financing activities:		
Repayment of Lease Liabilities	(392)	(469)
Interest Payment on Lease Liabilities	(41)	(62)
Interim Dividend Paid	(1000)	(900)
Net cash flow used in financing activities (C)	(1,433)	(1,431)
D. Net (decrease) / increase in Cash and Cash Equivalents (A+B+C)	34	(47)
E. Effect of exchange rate changes on Cash and Cash Equivalents	(9)	(7)
F. Cash and Cash Equivalents at beginning of the year	504	558
G. Cash and Cash Equivalents at end of the year (D+E+F)	529	504
Cash and Cash Equivalents comprises of		
Cash in hand	0	0
Balances with Banks:		
- Current Accounts	527	503
- Deposit Accounts	2	1
Cash and Cash Equivalents as per Balance Sheet (refer note 11)	529	504

See accompanying notes to the financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022

For Tech Mahindra Business Services Limited**Ashish Gupta****Partner**

Membership No: 215165

Place : Pune

Dated : 30 April 2022

Birendra Sen**Director**

DIN No: 07956092

Place : Mumbai

Dated : 30 April 2022

Kunal Jesrani**Director**

DIN No: 09234267

Place : Mumbai

Dated : 30 April 2022

STATEMENT OF CHANGES IN EQUITY**a. Equity Share Capital**

Particulars	Number of Shares	Equity Share Capital ₹ in Million
Balance at April 1, 2021	1,000,000	10
Changes in equity share capital during the year	-	-
Balance at March 31, 2022	1,000,000	10
Balance at April 1, 2020	1,000,000	10
Changes in equity share capital during the year	-	-
Balance at March 31, 2021	1,000,000	10

b. Other Equity

Particulars	Reserves & Surplus		Items of Other Comprehensive Income	Total
	Capital Redemption Reserve	Surplus in Statement of Profit and Loss	Cash Flow Hedge Reserve	
Balance as of April 1, 2021	666	3,633	(71)	4,228
Profit for the year	-	1,995	-	1,995
Other Comprehensive Income	-	(17)	137	120
Total Comprehensive income	-	1,978	137	2,115
Interim Dividend	-	(1,000)	-	(1,000)
Balance at March 31, 2022	666	4,611	66	5,343
Balance as of April 1, 2020	666	3,341	11	4,018
Profit for the year	-	1,200	-	1,200
Other Comprehensive Income	-	(8)	(82)	(90)
Total Comprehensive income	-	1,192	(82)	1,110
Interim Dividend	-	(900)	-	(900)
Balance at March 31, 2021	666	3,633	(71)	4,228

A description of the purposes of each reserve within equity:

1. Capital Redemption Reserve pertains to nominal value of Redeemable Non Convertible preference shares redeemed out of profits. The nominal value of shares was transferred to Capital Redemption Reserves.
2. Surplus in Statement of Profit and Loss - This represents the undistributed profits of the Company accumulated at the year end.
3. Cash Flow Hedge Reserve pertains to the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge recognised in other comprehensive income.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022

For Tech Mahindra Business Services Limited

Ashish Gupta

Partner

Membership No : 215165

Place : Pune

Dated : 30 April 2022

Birendra Sen

Director

DIN No: 07956092

Place : Mumbai

Dated : 30 April 2022

Kunal Jesrani

Director

DIN No: 09234267

Place : Mumbai

Dated : 30 April 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. Corporate Information:

Tech Mahindra Business Services Limited (the 'Company') head quartered in Mumbai, Maharashtra, India provides voice based call centre services to 'Hutchison 3G UK Limited', 'TPG Telecom Limited' (formerly known as Vodafone Hutchison Australia Pty Limited), 'Hutchison 3G Ireland Limited' and Tech Mahindra Limited.

The Company was converted from a Private Limited Company to a Public Limited Company with effect from December 27, 2012 and the name has been changed from Hutchison Global Services Limited to Tech Mahindra Business Services Limited with effect from July 13, 2013. The Company is now a 100% subsidiary of Tech Mahindra Limited. Also refer note 36 on scheme of merger.

2. Significant accounting policies:

2.1 Statement of Compliance:

These financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016, and other relevant provisions of the Companies Act, 2013.

Details of the Company's accounting policies are included in paragraph 2.

These financial statements were authorised and issued on April 30, 2022.

2.2 Basis for preparation of financial statements:

These financial statements have been prepared on the historical cost basis and on an accrual basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on their value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purpose in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are not based on observable market data (unobservable inputs) Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

2.3 Use of Estimates:

The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Critical accounting estimates

i) Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. The policy for the same has been explained under Note 2.12.

ii) Provisions

Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.14.

iii) Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The policy for the same has been explained under Note 2.10.

iv) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment, including assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. Refer note 2.5 for detailed accounting policies on leases.

2.4 Property, Plant & Equipment and Other Intangible Assets:

Property, plant & equipment and other intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes

- a) material cost, freight, installation cost, non-refundable duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.
- b) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life that has been assessed as under based on technical advice, considering the nature of the asset, estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Plant and Equipments	3 to 4 years
Computer Hardware	4 years
Office Equipment	3 to 4 years
Furniture and Fixtures	3 to 6 years
Vehicles	4 years
Leasehold Improvements	Lower of lease period or expected occupancy.

The estimated useful lives and residual values of the Property, Plant & Equipment and Other Intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of Property, Plant & Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

Project specific intangible assets are amortized over their estimated useful lives on a straight line basis or over the period of the license/project period, whichever is lower.

2.5 Leases:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

At the inception of a contract, the Company assesses whether a contract, is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i. The contract involves the use of an identified asset- this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- ii. The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period; and
- iii. The Company has the right of direct the use of the asset. The Company has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - a) The Company has the right to operate the asset; or
 - b) The Company designed the asset in a way that predetermines how and for what purposes it will be used.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost at inception which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjustment for certain remeasurement of the lease liability. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the lease, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments included in the measurement of lease liability fixed payments, including in-substance fixed payments, amounts expected to be paid under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise and penalties for early termination of a lease unless the Company is certain not to terminate early. The lease liability is measured at amortised cost using the effective interest method. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset, or is recorded in statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Lease Modification

For lease modifications, the Company has adopted practical expedient given in the amendments to IND AS 116, notified by Ministry of Corporate Affairs on 24 July 2020.

2.6 Impairment of Assets:**i) Financial assets**

The Company applies the expected credit loss model for recognizing impairment loss on financial assets.

Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience adjusted for forward looking information.

For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case, those are measured at lifetime expected credit loss.

ii) Non-financial assets

The Company assesses long-lived assets such as property, plant, equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples.

If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

2.7 Revenue recognition:

Revenue from voice based call centre services include revenue earned from services rendered on 'time and material' basis and time bound fixed price engagements.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services, net of indirect taxes, discounts, rebates, credits, price concessions, incentives, performance bonuses, penalties, or other similar items.

Revenue from time and material contracts is recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

Revenue from fixed price maintenance contracts is recognised based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If invoicing is not consistent with value delivered, revenue is recognized as the services are performed. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognised on a straight-line basis over the specified period unless some other method better represents the manner in which services are performed.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability arises when there is Company's obligation to transfer goods or services to a customer for which the entity has received consideration ("Advances from Customer") or the amount is due from the customer ("Unearned Revenue").

Disaggregation of revenue is reported under segment reporting.

Deferred contract costs are incremental costs of obtaining a contract which are recognised as assets and amortised over the tenure of the contract.

TECH MAHINDRA BUSINESS SERVICES LIMITED

Dividend income is recognized when the Company's right to receive dividend is established. Interest income is recognized using effective interest rate method.

2.8 Foreign currency transactions:

The functional currency of the Company is Indian Rupees (₹).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the statement of profit or loss.

2.9 Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value

Financial asset not measured at amortized cost is carried at fair value through profit or loss (FVTPL) on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized to profit or loss.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses on remeasurement recognized in profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method or at FVTPL. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised in a business combination, or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) Derivative financial instruments and hedge accounting

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities and forecasted cash flows denominated in foreign currency. The Company uses foreign currency forward contracts / options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Company designates some of these as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109 Financial Instruments.

The use of foreign currency forward contracts / options is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The counter party to the Company's foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized in other comprehensive income and accumulated under Hedging Reserve and the ineffective portion is recognized immediately in the Statement of Profit and Loss.

Amounts previously recognized in other comprehensive income and accumulated in hedging reserve are reclassified to profit or loss in the same period in which gains / losses on the item hedged are recognized in the Statement of Profit or Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument classified in hedging reserve is retained there and is classified to Statement of Profit and Loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in hedging reserve is transferred to the Statement of Profit and Loss for the period.

iii) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired.

2.10 Employee Benefits:

i) Gratuity:

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the balance sheet date using the Projected Unit Credit method.

Actuarial gains and losses are recognised in full in other comprehensive income and accumulated in equity in the period in which they occur. Past service cost is recognised in profit or loss in the period of a plan amendment.

ii) Provident Fund:

The eligible employees of the Company are entitled to receive the benefits of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary which are charged to the statement of profit and loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company.

The Company has no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

iii) Superannuation and ESIC:

Superannuation fund and employees' state insurance scheme (ESI), which are defined contribution schemes, are charged to the statement of profit and loss on accrual basis.

iv) Compensated absences:

The Company provides for compensated absences subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized based on the actuarial valuation as at the balance sheet date.

Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

The company also offers a short term benefit in the form of encashment of unavailed accumulated compensated absence above certain limit for all of its employees and same is being provided for in the books at actual cost.

2.11 Borrowing costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the statement of profit and loss.

2.12 Taxation:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis. The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

2.13 Earnings per Share:

Basic earnings / (loss) per share are calculated by dividing the net profit / (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings / (loss) per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

2.14 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

Contingent liabilities and contingent assets are not recognised in the financial statements.

2.15 Recent Pronouncement :

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. On March 23, 2022, MCA amended the Companies (Ind AS) Amendment Rules, 2022, which are applicable from April 1, 2022. The Company does not expect the amendments to have any significant impact on the financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note 3: Property, Plant and Equipment**

₹ in Million

Description of Assets	Plant and Equipment	Computers	Office Equipment	Furniture and Fixtures	Leasehold Improvement	Vehicles	Total
I. Gross Block							
Balance as at April 1, 2021	282	1,851	104	235	249	4	2,725
Additions for the year	50	113	3	28	34	0	228
Deletion for the year	(74)	(153)	(6)	(12)	(12)	-	(257)
Balance as at March 31, 2022	258	1,811	101	251	271	4	2,696
II. Accumulated depreciation							
Balance as at April 1, 2021	254	1,294	91	154	225	3	2,021
Depreciation for the year	22	234	8	28	19	0	311
On deletion	(73)	(149)	(6)	(12)	(12)	-	(252)
Balance as at March 31, 2022	203	1,379	93	170	232	3	2,080
Net Block as on March 31, 2022	55	432	8	81	39	1	616

₹ in Million

Description of Assets	Plant and Equipment	Computers	Office Equipment	Furniture and Fixtures	Leasehold Improvement	Vehicles	Total
I. Gross Block							
Balance as at April 1, 2020	279	1,346	94	243	247	3	2,212
Additions for the year	7	526	17	0	4	1	555
Deletion for the year	(4)	(21)	(7)	(8)	(2)	-	(42)
Balance as at March 31, 2021	282	1,851	104	235	249	4	2,725
II. Accumulated depreciation							
Balance as at April 1, 2020	243	1,094	76	135	211	3	1,762
Depreciation for the year	15	221	22	27	16	0	301
On deletion	(4)	(21)	(7)	(8)	(2)	-	(42)
Balance as at March 31, 2021	254	1,294	91	154	225	3	2,021
Net Block as on March 31, 2021	28	557	13	81	24	1	704

Note 4 : Right- of Use of Asset

₹ in Million

Description of Assets	Right-of-use of Asset
I. Gross Block	
Balance as at April 1, 2021	1,309
Additions for the year	475
Deletion for the year	(261)
Balance as at March 31, 2022	1,523
II. Accumulated depreciation	
Balance as at April 1, 2021	679
Depreciation for the year	374
On deletion	(261)
Balance as at March 31, 2022	792
Net Block as on March 31, 2022	731

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Description of Assets	₹ in Million
	Right-of-use of Asset
I. Gross Block	
Balance as at April 1, 2020	1,431
Additions for the year	-
Deletion for the year	(122)
Balance as at March 31, 2021	1,309
II. Accumulated depreciation	
Balance as at April 1, 2020	335
Depreciation for the year	408
On deletion	(64)
Balance as at March 31, 2021	679
Net Block as on March 31, 2021	630

Note 5: Intangible Assets

Description of Assets	₹ in Million
	Computer Software
I. Gross Block	
Balance as at April 1, 2021	723
Additions for the year	150
Balance as at March 31, 2022	873
II. Accumulated amortisation	
Balance as at April 1, 2021	676
Amortisation for the year	50
Balance as at March 31, 2022	726
Net Block as on March 31, 2022	147

Description of Assets	₹ in Million	
	Computer Software	
I. Gross Block		
Balance as at April 1, 2020	710	
Additions for the year	13	
Balance as at March 31, 2021	723	
II. Accumulated amortisation		
Balance as at April 1, 2020	643	
Amortisation for the year	33	
Balance as at March 31, 2021	676	
Net Block as on March 31, 2021	47	

Note 6: Other Financial Assets : Non- Current

Particulars	₹ in Million	
	As at March 31, 2022	As at March 31, 2021
Security Deposits	88	143
TOTAL	88	143

Note 7: Deferred Tax Assets (Net)

Particulars	₹ in Million	
	As at March 31, 2022	As at March 31, 2021
Deferred Tax Asset / (Liability) arising on account of temporary differences on :		
Property, Plant and Equipment	72	67
Leases	17	22
Gratuity, Leave Encashment and Bonus	130	86
Fair Valuation of Mutual Fund	(6)	(7)
MTM on Forward Contracts	(18)	28
TOTAL	195	196

Note 8: Other Non-Current Assets

Particulars	₹ in Million	
	As at March 31, 2022	As at March 31, 2021
Prepaid Expenses	4	7
Deferred Contract Costs	143	314
Balances with government authorities	360	308
TOTAL	507	629

Note 9: Investments : Current

Particulars	₹ in Million			
	As at March 31, 2022		As at March 31, 2021	
	No of Units	₹	No of Units	₹
Investment in Mutual Funds - Unquoted (Carried at fair value through Profit and Loss)				
Nippon India Liquid Fund Direct Plan Growth Plan -Growth Option-LFAG	152,568	795	199,190	1,002
Nippon India Low Duration Fund - Direct Growth Plan Growth Option - LPAG	186,670	591	-	-
Aditya Birla Sun Life Low Duration Fund - Growth-Direct Plan	673,777	390	-	-
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan	-	-	62,286	21
Nippon India Arbitrage Fund Direct Growth Plan Growth Option-AFAG	11,095,093	253	-	-
ICICI Prudential Liquid Fund - Direct Plan - Growth	35,407	11	522,677	158
Mahindra Manulife Low Duration Fund-Direct- Growth	290,219	406	-	-
Mahindra Manulife Liquid Fund- Direct - Growth	34,643	48	533,503	714
Axis Liquid Fund - Direct Growth - CFDG	40,926	97	40,926	94
Kotak Low Duration Fund Direct Growth	71,285	207	-	-
Kotak Equity Arbitrage Fund-Direct Plan- Growth	1,776,924	56	-	-
TOTAL		2,854		1,989
Particulars		₹		₹
Aggregate amount of Quoted investment		-		-
Aggregate amount of Unquoted investment		2,854		1,989
Aggregate Market Value of Quoted investment		-		-

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Note 10 : Trade Receivables - Billed : Current

Particulars	₹ in Million	
	As at March 31, 2022	As at March 31, 2021
Trade Receivables considered good - Billed (Refer note 36)	1,198	1,312
Trade Receivables Billed- Credit impaired	-	-
Less: Allowance for expected credit loss	-	-
TOTAL	1,198	1,312

Note 11: Cash and Cash Equivalents

Particulars	₹ in Million	
	As at March 31, 2022	As at March 31, 2021
Cash on hand	0	0
Balances with banks		
(i) In Current Account	527	503
(ii) In Deposit Account (original maturities less than three months)	2	1
TOTAL	529	504

Note 12: Other Financial Assets : Current

Particulars	₹ in Million	
	As at March 31, 2022	As at March 31, 2021
Security Deposits	55	0
Interest Accrued on Deposits	0	0
Foreign Currency Derivative Assets	140	14
Other Receivables from Related Party (Refer note 29)	175	39
TOTAL	370	53

Note 13: Other Current Assets

Particulars	₹ in Million	
	As at March 31, 2022	As at March 31, 2021
Prepaid Expenses	61	38
Deferred Contract Costs	198	175
Other Advances	5	6
TOTAL	264	219

Note 14: Equity Share Capital

Share Capital	As at			
	March 31, 2022		March 31, 2021	
	Number	₹ Million	Number	₹ Million
Authorised				
67,650,000 (March 31, 2021: 67,650,000) Equity Shares of ₹10 each	67,650,000	677	67,650,000	677
	67,650,000	677	67,650,000	677
Issued, Subscribed & Paid up				
1,000,000 (March 31, 2021: 1,000,000) Equity Shares of ₹10 each	1,000,000	10	1,000,000	10
	1,000,000	10	1,000,000	10

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year :

Equity Shares:

Particulars	March 31, 2022		March 31, 2021	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	1,000,000	10,000,000	1,000,000	10,000,000
Shares issued during the year	-	-	-	-
Bonus shares issued during the year	-	-	-	-
Shares outstanding as at end of the year	1,000,000	10,000,000	1,000,000	10,000,000

b. Rights, Preferences and restrictions attached to shares

Equity Shares:

The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

c. Shares held by holding Company and its associates

	As at	As at
	March 31, 2022	March 31, 2021
	₹ in million	₹ in million
Equity Shares :		
Tech Mahindra Limited, the Holding Company		
999,994 (March 31, 2021: 999,994) Equity shares of ₹10 each fully paid	10	10
Tech Mahindra Limited jointly with Vishwanath Kini		
1 (March 31, 2021: 1) Equity share of ₹10 each fully paid	0	0
Tech Mahindra Limited jointly with Gautam Shirali		
1 (March 31, 2021: 1) Equity share of ₹10 each fully paid	0	0
Tech Mahindra Limited jointly with Manoj Bhat		
1 (March 31, 2021: 1) Equity share of ₹10 each fully paid	0	0
Tech Mahindra Limited jointly with Manoj Joshi		
1 (March 31, 2021: 1) Equity share of ₹10 each fully paid	0	0
Tech Mahindra Limited jointly with Aniruddha Gadre		
1 (March 31, 2021: 1) Equity share of ₹10 each fully paid	0	0
Tech Mahindra Limited jointly with Anil Khatri		
1 (March 31, 2021: 1) Equity share of ₹10 each fully paid	0	0

d. Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Equity shares	As at March 31, 2022		As at March 31, 2021	
	Number	% holding in the class	Number	% holding in the class
Tech Mahindra Limited, the Holding Company (including jointly held shares)	1,000,000	100%	1,000,000	100%
	1,000,000	100%	1,000,000	100%

e. Shares held by promoter at the end of the year

Promoter Name	As at March 31, 2022			As at March 31, 2021		
	Number	% of total shares	% of change during the period	Number	% of total shares	% of change during the period
Tech Mahindra Limited (including jointly held shares)	1,000,000	100%	Nil	1,000,000	100%	Nil

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Note 15: Other Equity

Particulars	₹ in Million	
	As at March 31, 2022	As at March 31, 2021
Capital Redemption Reserve	666	666
Cash Flow Hedge Reserve		
Opening balance	(71)	11
Change in fair value of derivatives (Net)	137	(82)
Closing Balance	66	(71)
Surplus in Statement of Profit and Loss		
Opening Balance	3,633	3,341
Add: Transferred from Other Comprehensive Income	(17)	(8)
Add: Net Profit for the year	1,995	1,200
Less: Interim Dividend	(1,000)	(900)
Closing Balance	4,611	3,633
TOTAL	5,343	4,228

Note 16: Provisions : Non-Current

Particulars	₹ in Million	
	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
- Gratuity	241	155
- Compensated absences	62	40
TOTAL	303	195

Note 17: Other Financial Liabilities : Current

Particulars	₹ in Million	
	As at March 31, 2022	As at March 31, 2021
Foreign currency Derivative Liabilities	7	168
Creditors for Capital Supplies / Services	50	60
Accrued Wages and Salaries	325	279
TOTAL	382	507

Note 18: Provisions : Current

Particulars	₹ in Million	
	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
- Gratuity	102	59
- Compensated absences	112	83
Provision for Contingencies (Refer note 23(iii))	341	341
TOTAL	555	483

Note 19: Other Current Liabilities

Particulars	₹ in Million	
	As at March 31, 2022	As at March 31, 2021
Contract Liability	42	123
Statutory Dues	118	92
Advance from Customers	969	910
Others	90	8
TOTAL	1,219	1,133

Note 20: Other Income

₹ in Million

Particulars**For the year ended**

	March 31, 2022	March 31, 2021
Interest income		
- Bank Deposits	0	0
- Other financial assets	10	13
Net gain on mutual funds carried at FVTPL	98	69
Net gain on disposal of Property, Plant and Equipment and Intangible Assets	5	2
Foreign Exchange Gain	78	-
Miscellaneous Income	3	11
TOTAL	194	95

Note 21: Employee Benefits Expense

₹ in Million

Particulars**For the year ended**

	March 31, 2022	March 31, 2021
Salaries and wages, including bonus	4,414	4,376
Contribution to provident and other funds (Refer note 24(i))	213	160
Gratuity (Refer note 24 (ii))	149	30
Staff welfare expenses	139	220
TOTAL	4,915	4,786

Note 22: Other Expenses

₹ in Million

Particulars**For the year ended**

	March 31, 2022	March 31, 2021
Power & Fuel	87	79
Rent (Refer note 30)	5	8
Repairs and maintenance - Machinery	23	24
Repairs and maintenance - Others	124	230
Insurance charges	49	43
Legal and other professional fees	202	71
Subcontracting Expenses	101	44
Advertisement, Promotion & Selling Expenses	6	5
Travelling Expenses	272	124
Expenditure on corporate social responsibility (CSR) (Refer note 40)	24	22
Recruitment Expenses	42	26
Training Expenses	2	-
Communication Expenses	95	56
Foreign Exchange Loss	-	25
Miscellaneous Expenses	53	37
TOTAL	1,085	794

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23. Capital Commitments and Contingent Liabilities

i. Capital commitments

The estimated amount of contracts remaining to be executed on capital account (net of capital advances), and not provided for as at March 31,2022 ₹ 280 million (March 31, 2021: ₹ 38 million).

ii. Contingent liabilities

Amount in ₹ Million

S r. No	Nature of dues	Period	Grounds of Dispute	As at March 31,2022 (*)	As at March 31, 2021(*)
1	Income-tax	A.Y 2009-10	Income tax order on account of 1. Transfer Pricing Adjustment 2. Disallowance of deduction under section 10A	- (Nil)	498 (261)
2	Income-tax	A.Y 2010-11	Income tax order on account of 1. Transfer Pricing Adjustment 2. Disallowance of deduction under section 10A	285 (188)	285 (188)
3	Income-tax	A.Y 2016-17(**)	Income tax order on account of income adjustment	23 (Nil)	23 (Nil)
4	Service Tax	F.Y 2007-08 to 2012-13	Non-payment of service tax for receiving import services (reverse charge basis) for the period 2007-08 to 2012-13	86(#) (11)	86(#) (11)
5	Service Tax	F.Y 2012-13 to 2017-18	Non-payment of service tax on amount received against Notice Pay from employees	- (Nil)	7 (Nil)
6	Service Tax	F.Y 2012-13 to 2017-18	Non-payment of service tax on amount received against non-reversal of Cenvat credit under Rule 6(3) of the Cenvat Credit Rules	- (Nil)	26 (Nil)

* The figures in bracket indicate demands paid under disputes.

** There are no adjustment /addition made in the assessment order by the Assessing Officer. The Assessing Officer has inadvertently erred in computing total income of the Company. Due to incorrect computation of income, a demand has been raised on the Company. The Company has filed petition for rectification u/s 154 of the Income tax Act, 1961 and also filed appeal to the Commissioner of Income tax (Appeals).

excluding interest including penalty.

iii. The Company is subject to legal proceedings and claims including with customer, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition other than those for which provisions are already recorded in the financials statement.

iv. Bank guarantee outstanding as at March 31,2022: ₹ 7 million (March 31, 2021 ₹ 7 million)

24. Details of employee benefits as required by the Ind AS 19 – Employee Benefits are as under:

i. Defined Contribution Plan

Contribution to Defined Contribution Plans recognized as expenses for the year ended are as under:

Amount in ₹ Million

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Employer's Contribution to Provident Fund	176	119
Employer's Contribution to Employee's State Insurance	1	4

In addition to above mentioned defined contribution plan the Company pays employer contribution in Ireland as per local laws.

ii. **Defined Benefit Plan**

The benefit plan comprises of Gratuity. The Gratuity plan is unfunded. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses in respect of defined benefit plans are recognised in other comprehensive income.

a) **Changes in the present value of defined benefit obligation**

Particulars	Amount in ₹ Million	
	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Defined benefit obligation at the beginning of the period	214	186
Interest cost	16	12
Current Service Cost	30	18
Benefit Paid	(43)	(12)
Past Service Cost plan amendments	103	-
Actuarial (Gain)/ loss arising from changes in demographic assumptions	3	0
Actuarial (Gain)/ loss arising from changes in financial assumptions	(9)	8
Actuarial (Gain)/ loss arising from experience adjustments	29	2
Projected benefit obligation, at the year ended	343	214

b) **Components of expenses recognized in the Statement of Profit and Loss:**

Particulars	Amount in ₹ Million	
	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Interest cost	16	12
Service cost	30	18
Past Service Cost	103	-
Total	149	30

c) **Components of expenses recognized in other comprehensive income**

Particulars	Amount in ₹ Million	
	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Actuarial (Gain)/ loss arising from changes in demographic assumptions	3	-
Actuarial (Gain)/ loss arising from changes in financial assumptions	(9)	8
Actuarial (Gain)/ loss arising from experience adjustments	29	2
Total	23	10

d) **Actuarial Assumptions**

Particulars	As at	
	March 31, 2022	March 31, 2021
	Discount Rate (per annum)	6%
Salary Escalation Rate (per annum)	7%	7%
Attrition Rate	0% to 59%	0% to 58%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult

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The estimates of future salary escalations considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

- e) The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases (decreases) by 0.50%, the defined benefit obligations would decrease by 7 million (increase by 8 million) as of March 31,2022

If the expected salary growth increases (decreases) by 0.50%, the defined benefit obligations would increase by 8 million (decrease by 8 million) as of March 31,2022.

- f) **Expected benefit payments for the year ended**

	Amount in ₹ Million
March 31, 2023	105
March 31, 2024	70
March 31, 2025	52
March 31, 2026	42
March 31, 2027	36
March 31, 2028 to March 31, 2032	137

iii. The Code on Social Security 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent on 28 September 2020 and has been published in the Gazette of India. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour And Employment has issued draft rules under the Code on Social Security, 2020 on 13 November 2020 and invited suggestions. The Company will assess the impact and complete the evaluation once the rules are notified and will provide a disclosure of the impact in its financial statements in the period in which, the Code becomes effective and the related rules are notified.

25. Financial Instruments

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit risk and liquidity risk, which may impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential effects on the financial performance of the Company. The Company's Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

Financial instruments by category

The carrying value of financial instruments by categories as of March 31, 2022 are as follows:

Amount in ₹ Million

	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised Cost	Total Carrying Value	Total fair Value
Assets:						
Investments	2,854	-	-	-	2,854	2,854
Trade Receivables (Billed and Unbilled)	-	-	-	1,227	1,227	1,227
Cash and Cash equivalents	-	-	-	529	529	529
Other Financial Assets	-	-	140	318	458	458
Total	2,854	-	140	2,074	5,068	5,068
Liabilities:						
Lease Liabilities	-	-	-	800	800	800
Trade Payables	-	-	-	388	388	388
Other Financial liabilities	-	-	7	375	382	382
Total	-	-	7	1,563	1,570	1,570

The carrying value of financial instruments by categories as of March 31, 2021 are as follows:

Amount in ₹ Million

	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised Cost	Total Carrying Value	Total fair Value
Assets:						
Investments	1,989	-	-	-	1,989	1,989
Trade Receivables (Billed and Unbilled)	-	-	-	1,312	1,312	1,312
Cash and Cash equivalents	-	-	-	504	504	504
Other Financial Assets	-	-	14	182	196	196
Total	1,989	-	14	1,998	4,001	4,001
Liabilities:						
Lease Liabilities	-	-	-	717	717	717
Trade Payables	-	-	-	376	376	376
Other Financial liabilities	-	-	168	339	507	507
Total	-	-	168	1,432	1,600	1,600

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Fair value hierarchy

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

The different levels have been defined as follows:

Level-1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level-2 – Inputs other than quoted prices included within level-1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level-3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Amount in ₹ Million

As at March 31, 2022	Level 1	Level 2	Level 3	Total
Financial Assets:				
Mutual fund/Bond units	2,854	-	-	2,854
Derivative Financial Assets	-	140	-	140
Total	2,854	140	-	2,994
Financial Liabilities:				
Derivative Financial liabilities	-	7	-	7
Total	-	7	-	7

Amount in ₹ Million

As at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial Assets:				
Mutual fund units	1,989	-	-	1,989
Derivative Financial Assets	-	14	-	14
Total	1,989	14	-	2,003
Financial Liabilities:				
Other Financial Liabilities	-	168	-	168
Total	-	168	-	168

Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms and conditions.

The Company's financial instruments that are subject to credit risk predominantly consist of trade receivables including unbilled revenue, mutual fund investment, forward contracts, cash and cash equivalent and other financial assets.

The Company invests only in debt mutual funds with top mutual funds houses having very good credit rating and having a good Assets under Management.

The credit terms agreed with the customer is 30-45 days and the average collection period of the Company is around 51 days. Over the last 10 years, the Company has faced no significant credit default from its customers, it has always received full realization of all its invoices.

The counterparty for the forward contracts booked is normally a bank with a high quality credit rating. The Company books plain vanilla forward contract to protect its exchange rate risk.

Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹5,068 Million and ₹ 4,001 Million as of March 31,2022 and March 31, 2021 respectively, being the total of the carrying amount of trade receivables, investments, cash and cash equivalents, other balance with banks, and other financial assets.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is called on.

Trade receivable

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each Balance Sheet date whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. As on March 31, 2022 and March 31, 2021 expected credit loss provision is ₹ Nil.

Market Risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company exposure to market risk is primarily on account of foreign currency exchange rate risk and mutual fund price risk.

i. Foreign Currency Exposures

The Company's revenue is denominated in GBP, AUD, NZD, USD and EUR. The majority of the costs are in Indian Rupees. This exposes the company to currency fluctuation. The Company monitors and manages the financial risk relating to its operations by analysing its foreign exchange exposure by the level and extent of currency risks.

Amount in ₹ Million

Particulars	Foreign Currency Amount in Million		Indian Rupees Equivalent	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Trade Payable	USD 0	USD 0	12	27
Trade Payable	EUR 0	EUR 0	1	8
Trade Payable	GBP 0	GBP 0	12	30
Trade Receivables	AUD 5	AUD 6	261	328
Trade Receivables	EUR 2	EUR 1	178	75
Trade Receivables	GBP 7	GBP 9	704	863
Trade Receivables	NZD 1	NZD 1	51	36
Lease Liabilities	EUR 0	EUR 0	36	57

Forward Exchange / Contracts

The Company's revenue is denominated in GBP, AUD, NZD and EUR. The majority of the costs are in Indian Rupees. This exposes the Company to currency fluctuation.

The Company monitors and manages the financial risk relating to its operations by analysing its foreign exchange exposure by the level and extent of currency risks.

The Company uses derivative financial instruments governed by the policies approved by the Board such as forward to manage and mitigate its foreign currency exposure. The Company has a risk management policy approved and adopted by the Board, which is used to hedge forex fluctuation. The counterparty is generally a bank. The Company can enter into a contract for 1 day to 3 years depending on the nature of forex billing.

The following are outstanding currency exchange forward contracts, which have been designated as cash flow hedges as of:

As at March 31, 2022

Foreign Currency	Amount of contracts (In million)	Fair value (₹ in million) (Gain)/Loss
AUD / INR	4	6
EUR / INR	2	(3)
GBP / INR	27	(137)

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As at March 31, 2021

Foreign Currency	Amount of contracts (In million)	Fair value (₹ in million) (Gain)/Loss
AUD / INR	6	(2)
EUR / INR	4	(10)
GBP / INR	32	166

The movement in Hedging Reserve for derivatives designated as Cash Flow Hedges is as follows:

Amount in ₹ Million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Credit /(Debit) balance at the beginning of the year	(71)	11
Changes in the fair value of the effective portion of cash flow Hedges	183	(110)
Tax impact on effective portion of outstanding cash flow hedges	(46)	28
Credit / (Debit) balance at the end of the year	66	(71)

Net gain on derivative instruments of ₹ 70 smillion recognized in Hedging Reserve as at March 31,2022, is expected to be transferred to the statement of profit and loss by March 31, 2023.

ii. Interest Rate Risk

The Company's investment is primarily in Debt Mutual Funds, hence the Company is not significantly exposed to interest rate risk.

iii. Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has always generated sufficient cash flows from its operations to meet its financial obligations as and when they fall due.

As at March 31, 2022

Amount in ₹ Million

	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities:					
Lease liabilities	285	408	107	-	800
Trade and other payables	388	-	-	-	388
Other financial liabilities	375	-	-	-	375
Total	1,048	408	107	-	1,563
Derivative financial liabilities	7	-	-	-	7
Total	7	-	-	-	7

As at March 31, 2021

Amount in ₹ Million

	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities:					
Lease liabilities	369	256	92	-	717
Trade and other payables	376	-	-	-	376
Other financial liabilities	339	-	-	-	339
Total	1,084	256	92	-	1,432
Derivative financial liabilities	168	-	-	-	168
Total	168	-	-	-	168

26. Disclosures for Revenue from Contracts with Customers**i. Performance obligations and remaining performance obligations**

The remaining performance obligations disclosure provides the aggregate amount of the transaction price yet to be recognized as of the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation for contracts where the entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in scope of contracts, periodic revalidations, and adjustments for revenue that has not materialized and adjustments for currency.

ii. Contract assets and liabilities

The contract assets primarily relate to Company's rights to consideration for work completed but not billed at the reporting date due to contractual terms. The contract assets are transferred to receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customers. Revenue is recognized from the contract liability amounts as and when services are delivered and related performance obligations satisfied. The unused credit or balance is deferred until used by the customer or expired.

Significant changes in the contract liabilities balances during the year months ended March 31, 2022 as follows:

Amount in ₹ Million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contract liabilities:		
Opening Balance	123	35
Less: Revenue recognized during the reporting year	(118)	(38)
Add: Invoiced during the year but, not recognized as revenues	38	126
Add: Transaction loss / (Gain)	(1)	0
Closing Balance	42	123

iii. Contract Price

The following table provides information in respect of amount of revenue recognized in the statement of profit and loss with the contracted price showing separately each of the adjustments made to the contract price:

Amount in ₹ Million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contracted transaction	9,194	8,051
Less: Adjustment for upfront discount and rebate	(302)	(196)
Revenue recognized in the statement of profit and loss	8,892	7,855

27. Earnings Per Share is calculated as follows:

₹ in Million except earnings per share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Profit attributable to shareholders	1,995	1,200
Equity Shares outstanding as at the year (in nos.)	1,000,000	1,000,000
Weighted average Equity Shares outstanding as at the end of the year in nos.)	1,000,000	1,000,000
Weighted average number of Equity Shares used as denominator for calculating Basic Earnings Per Share	1,000,000	1,000,000
Number of Equity Shares used as denominator for calculating Diluted Earnings Per Share	1,000,000	1,000,000
Nominal Value per Equity Share (in ₹)	10.00	10.00
Earnings Per Share		
Earnings Per Share (Basic) (in ₹)	1,995	1,200
Earnings Per Share (Diluted) (in ₹)	1,995	1,200

28. Segment Reporting

Ind AS 108 establishes standards for the way that companies report information about their operating segments and related disclosures, as applicable about products and services, geographic areas, and major customers.

Based on the “management approach” as defined in Ind AS 108, the management evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented business segments and geographic segments.

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company’s chief operating decision maker monitors the operating results of the Company’s business as single segment.

Business Segment:

The Company is engaged in the business of providing voice based call centre services. As the Company is engaged in only one business segment, the Balance Sheet as at March 31, 2022, Statement of Profit, and Loss for the year ended then pertain to only one business segment.

Geographical Segments:

Amount in ₹ Million

S r. No	Particulars	Within India	Outside India	Total
1	Segment revenue by location of customers	9 [23]*	8,883 [7,832]*	8,892 [7,855]*
2	Carrying amount of segment asset (Gross)	7,747 [6,103] *	1,373 [1,763] *	9,120 [7,866] *
3	Additions to tangible and intangible assets	840 [7,889]*	13 [10]*	853 [568]*

(*) Figures in bracket refer to amount for the year ended March 31, 2021.

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During the year ended March 31, 2022, two customers from total revenue of ₹ 7,722 million individually accounted for more than 10% of the revenue. Geographies contributed more than 10% of total revenue are as below:

		Amount in ₹ Million	
S r . No	Countries	For the year ended March 31, 2022	For the year ended March 31, 2021
1	United Kingdom	6,280	5,620
2	Australia	1,442	1,186
3	Ireland	1,064	1,026
4	India	9	23
5	Rest of World	97	-
	Total	8,892	7,855

29. Related Party Disclosures

As required by Ind AS 24 - Related Party Disclosures, following are details of transactions during the year ended March 31, 2022 and outstanding balances as of that date with the related parties of the Company as defined in Ind AS 24:

Names of related parties and nature of relationship:

Name of the Related Party(*)	Relationship
Tech Mahindra Limited	Holding Company
Mahindra and Mahindra Limited	Entity having significant influence
Mahindra Engineering & Chemical Products Limited	Subsidiary Company of Mahindra and Mahindra Limited
Tech Mahindra Foundation	Other Related Party**
Mahindra Educational Institutions	Other Related Party**
vCustomer Philippines (Cebu) Inc	Fellow Subsidiary
Tech Mahindra GmbH	Fellow Subsidiary
Birendra Sen	Director
Suchitra Kerkar	Director (Resigned w.e.f. 30th April, 2021)
Kunal Jesrani	Director (Appointed w.e.f. 20th July, 2021)
Ritesh Idnani	Director (Resigned w.e.f. 10th September, 2021)
Manoj Bhat	Director (Resigned w.e.f. 30th July, 2021)
Sujit Baksi	Director

(*) We have disclosed only those related parties with whom the Company has transactions during the year.

(**) Section 25 Companies wholly owned by Tech Mahindra Ltd.

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The Following table summarizes related party transactions:

Nature of Transaction	Promoter and its subsidiaries	Subsidiaries	Associate	Others	KMP	Total
Revenue from operations	616	-	-	-	-	616
	[484]	[-]	[-]	[-]	[-]	[484]
Subcontracting Expenses	101	-	-	-	-	101
	[44]	[-]	[-]	[-]	[-]	[44]
Reimbursement of Expenses Net-Incurred / (Recovered)	(167)	-	-	-	-	(167)
	[137]	[-]	[-]	[-]	[-]	[137]
Remuneration to Key Management Personnel	-	-	-	-	33	33
	[-]	[-]	[-]	[-]	[23]	[23]
Staff Welfare	64	-	-	-	-	64
	[93]	[-]	[-]	[-]	[-]	[93]
Purchase of Intangible Assets-Software licences	5	-	-	-	-	5
	[1]	[-]	[-]	[-]	[-]	[1]
Employee Stock Options granted to the Employees	10	-	-	-	-	10
	[15]	[-]	[-]	[-]	[-]	[15]
Interim Dividend Paid	1,000	-	-	-	-	1,000
	[900]	[-]	[-]	[-]	[-]	[900]
Loan given to other related party and repaid during the year	-	-	-	250	-	250
	[-]	[-]	[-]	[-]	[-]	[-]
Interest on loan	-	-	-	2	-	2
	[-]	[-]	[-]	[-]	[-]	[-]
CSR Contribution	-	-	-	25	-	25
	[-]	[-]	[-]	[22]	[-]	[22]

Balance due to / from related parties:

Nature of Transaction	Promoter and its subsidiaries	Subsidiaries	Associate	Others	KMP	Total
Trade Payables (Net)	47	-	-	-	-	47
	[129]	[-]	[-]	[-]	[-]	[129]
Trade Receivable (Net)	175	-	-	-	-	175
	[20]	[-]	[-]	[-]	[-]	[20]
Other Receivable	160	-	-	-	-	160
	[39]	[-]	[-]	[-]	[-]	[39]
Contract Liabilities	25	-	-	-	-	25
	[26]	[-]	[-]	[-]	[-]	[26]
Trade Payables (Net)	8	-	-	-	-	8
	[-]	[-]	[-]	[-]	[-]	[-]

Material Related Party transactions are as follows:

Amount in ₹ Million

Nature of Transactions	Name of the Party	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue	Tech Mahindra Limited	616	482
Revenue	Tech Mahindra GmbH	-	2
Subcontracting Expenses	Tech Mahindra Limited	42	44
Reimbursement of Expenses (Net)-Incurred / (Recovered)	Tech Mahindra Limited	(167)	(137)
Subcontracting Expenses	vCustomer Philippines (Cebu) Inc.	59	-
Remuneration to Key Management Personnel	Birendra Sen	19	14
- Salary		18	13
- Others (PF and other funds)		1	1
Remuneration to Key Management Personnel	Suchitra Kerkar	1	9
- Salary		1	8
- Others (PF and other funds)		-	1
Remuneration to Key Management Personnel	Kunal Jesrani	13	-
- Salary		12	-
- Others (PF and other funds)		1	-
Staff Welfare	Mahindra Engineering & Chemical Products Limited	64	93
Purchase of Intangible Assets-Software licences	Tech Mahindra Limited	5	1
Employee Stock Options granted to the Employees	Tech Mahindra Limited	10	15
Dividend Paid	Tech Mahindra Limited	1,000	900
Loan given and repaid during the year	Mahindra Educational Institutions (Section 8)	250	-
Interest on loan	Mahindra Educational Institutions (Section 8)	2	-
CSR Contribution	Mahindra Educational Institutions (Section 8)	18	-
CSR Contribution	Tech Mahindra Foundation (Section 8)	7	22

Material Related Party Balances are as follows:

Amount in ₹ Million

Balances As on	Name of the Party	As at March 31, 2022	As at March 31, 2021
Trade Payables (Net)	Tech Mahindra Limited	47	129
Trade Receivable (Net)	Tech Mahindra Limited	175	20
Other Receivable	Tech Mahindra Limited	160	39
Contract Liabilities	Tech Mahindra Limited	25	26
Trade Payables (Net)	vCustomer Philippines (Cebu) Inc	8	-

30. Lease

a) Amount recognised in statement of Profit and loss account

Amount in ₹ Million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on lease liabilities	41	62
Short-term lease expense	5	8
Depreciation	374	408
Total	420	478

b) Maturity analysis for lease liabilities

Amount in ₹ Million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Minimum Lease Payments		
For 1 Year	339	395
For 2 To 5 years	514	371
Above five year	-	-

Amount in ₹ Million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Present Value of Minimum Lease Payments		
For 1 Year	285	369
For 2 To 5 years	515	348
Above five year	-	-

31. Income Tax Expense

Amount in ₹ Million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Tax:		
In respect of current year	614	393
In respect of previous years (*)	(260)	(35)
Net current tax		
Deferred Tax		
In respect of current year	(39)	8
Total Income Tax Expense recognised	315	366

The income tax expense for the year ended can be reconciled to the accounting profit as follows:

Amount in ₹ Million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/(Loss) before income taxes	2,310	1,566
Enacted tax rates in India	25.17%	25.17%
Income tax expense calculated at enacted rate	581	394
Effect of expenses that are not deductible in determining taxable profit	1	5
Effect of incomes that are not taxable in determining taxable profit	4	(2)
Impact of MTM loss on derivative accounting	-	-
Effect of taxes pertaining to earlier years *	(260)	-
Short / (excess) provision for deferred tax	-	4
Previous year tax provision for deferred tax	(11)	(35)
Income tax expense recognised in profit or loss	315	366

The tax rate used for the above reconciliations are the rates as applicable for the respective year ended payable by corporate entities in India on taxable profits under the India tax laws.

(*) During the year ended March 31, 2022, consequent to a favourable order the Company has reversed Income tax provision amounting to ₹ 260 million relating to earlier periods.

32. The tax effect of significant temporary differences that has resulted in deferred tax assets as at March 31,2022 are given below:

Amount in ₹ Million

Particulars	As at March 31, 2021	Recognised in Profit and Loss	Recognised in OCI	As at March 31, 2022
Depreciation	67	5	-	72
Lease	22	(5)	-	17
Gratuity	54	26	6	86
Bonus	1	(1)	-	-
Leave Encashment	31	13	-	44
Fair valuation of Mutual funds	(7)	1	-	(6)
MTM on forward contracts	28	0	(46)	(18)
Net Deferred Tax Assets	196	39	(40)	195

As at March 31, 2021

Particulars	As at March 31, 2020	Recognised in Profit and Loss	Recognised in OCI	As at March 31, 2021
Depreciation	79	(12)	-	67
Lease	22	-	-	22
Gratuity	47	4	2	53
Bonus	1	-	-	1
Leave Encashment	21	10	-	31
Fair valuation of Mutual funds	3	(10)	-	(7)
MTM on forward contracts	1	-	28	29
Net Deferred Tax Assets	174	(8)	30	196

33. Auditor's Remuneration

Particulars	Amount in ₹ Million	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Audit Fees (including quarterly audits)	5	5
For Other services	2	1
Total	7	6

34. Employee share based Payment - Expense for the year :

The fair value of each option granted for the holding Company's stock option is estimated on the date of the grant using the Black- Scholes option pricing model based on valuation report received from the independent third party consultant. Charge on account of Employee share based payment is ₹ 10 million (March 31, 2021: ₹ 15 millions).

35. Capital work-in-progress ageing

Particulars	Amount in ₹ Million				Total
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Project in progress	38	-	-	-	38
	[19]*	[Nil]*	[Nil]*	[Nil]*	[19]*
Projects temporarily suspended	-	-	-	-	-
	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*

36. Trade Receivable ageing– Billed current outstanding

Particulars	Amount in ₹ Million							Total
	Outstanding for following periods from due date of payment							
	Not Due	< 6 Months	6 month - 1 year	1-2 years	2-3 years	> 3 years		
i. Undisputed Trade Receivables Billed-considered good	1,039	159	-	-	-	-	-	1,198
	[836]*	[476]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[1,312]*
ii. Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*
iii. Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*
iv. Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*
v. Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*
vi. Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*
Total	1,039	159	-	-	-	-	-	1,198
	[836]*	[476]	[-]	[-]	[-]	[-]	[-]	[1,312]*
Trade Receivable- Unbilled								29
								[-]*
Total Trade Receivable- Current								1,227
								[1,312]*

(*) Figures in bracket refer to amount for the year ended March 31, 2021.

37. Trade Payables ageing

Particulars	Amount in ₹ Million					Total
	Outstanding for following periods from due date of payment					
	Not Due	< 1 year	1-2 year	2-4 Year	> 3 years	
i. Micro, Small and Medium Enterprises (MSME)	19	15	-	-	-	34
	[14]*	[1]*	[-]*	[-]*	[-]*	[15]*
i. Others	44	43	2	-	4	93
	[37]*	[126]*	[-]*	[-]*	[5]*	[168]*
i. Disputed dues MSME	-	-	-	-	-	-
	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*
i. Disputed dues Others	-	-	-	-	-	-
	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*
Total	63	58	2	-	4	127
	[51]*	[127]*	[-]*	[-]*	[5]*	[183]*
Accrued Expenses						261
						[193]
Total Trade Payables						388
						[376]

(*) Figures in bracket refer to amount for the year ended March 31, 2021.

38. Compliance with Micro, Small and Medium Enterprises Development Act, 2006

Amount in ₹ Million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Principal amount due to suppliers under MSMED Act,2006	34	15
(ii) Interest accrued and due to supplier on the above amount, unpaid	-	-
(iii) Payment made to suppliers (other than Interest) beyond the appointed day during the year / year	-	-
(iv) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(v) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(vi) Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
(vi) Interest accrued and remaining unpaid at the end of the year / year to suppliers under MSMED Act	-	-
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified based on information collected by the Management. The auditors have relied upon this.		

39. Additional Regulatory Information**i. Financial Ratios**

Particulars	Numerator (1)	Denominator(2)	March 31, 2022 (3)=(1/2)	March 31, 2021 (3)= (1/2)	Variance %
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.78	1.32	35%*
Debt-Equity Ratio (in times)	Total Debt(1)	Total Shareholders' Equity	0.15	0.17	(12%)
Debt Service Coverage Ratio (in times)	Earnings available for debt service(2)	Debt Service(3)	6.90	4.53*	52%**
Return on Equity Ratio (in %)	Net Profit After Tax	Average Shareholders' Equity	41.60%	29.03%	43%**
Trade Receivable Turnover Ratio (in times)	Revenue from operation	Average Trade Receivable	7.00	6.95	1%
Trade payable turnover ratio (in times)	Other Expenses	Average Trade Payables	2.84	1.93	47%***
Net Capital Turnover Ratio (in times)	Revenue from operation	Net Working Capital(4)	3.87	7.92	(51%)*
Net Profit Ratio (in %)	Profit After Tax	Revenue from operation	22.43%	15.28%	47%**
Return on Capital Employed (in times)	Earnings before interest and taxes	Average Capital employed(5)	42.34%	32.01	32%**
Return on investment (in %)	Income generated from invested funds	Average invested in treasury Investments	4.46%	3.99%	12%

(1) Debt represents only lease liabilities

(2) Net Profit after tax + Non-Cash operating expenses + Interest

(3) Lease payments for the current year

(4) Current Assets – Current Liabilities

(5) Tangible net worth + deferred tax liabilities + lease liabilities

(*) Investment in mutual funds from current year's cash flow from operating activities resulting in Improvement in the ratio.

(**) increase in profits in the current year resulting in improvement in the ratio.

(***) increase in other expenses in the current year resulting in improvement in the ratio.

ii. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

40. Corporate Social Responsibility (CSR) expenditure

Particulars	Amount in ₹ Million	
	For the year ended March 31,2022	For the year ended March 31,2021
Amount required to be spent by the company during the year	24	22
Amount of expenditure incurred on:		
(i) Construction / acquisition of any asset	18	-
(ii) On purposes other than (i) above	7	22
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	-	-
Nature of CSR activities	Special Education & Employment enhancing, Promoting Education	Special Education & Employment enhancing, Promoting Education

Note: The Company contributes to Tech Mahindra Foundation and Mahindra Educational Institutions, associate companies, in relation to CSR expenditure.

41. Proposed Scheme of Merger by Absorption

On January 29, 2021, the Board of Directors of the Company passed a resolution to consider and approve the Scheme of Merger by Absorption of the Company and Born Commerce Private Limited (Fellow Subsidiary) with its Holding Company i.e. Tech Mahindra Limited and their respective shareholders under the provisions of section 230 to 232 of the Companies Act, 2013. Accordingly, the Company has filed the application before Hon'ble National Company Law Tribunal ("NCLT"), Mumbai. The appointed date under the proposed scheme is April 1, 2021. However, as the Hon'ble National Company Law Tribunal, Mumbai ("NCLT") is yet to approve the same, the Scheme is not yet effective.

Once this Scheme comes into effect, the Company will stand dissolved without winding-up. The entire business and whole of the Undertaking of the Company shall be and stand vested in or be deemed to have been vested in the Holding Company, as a going concern.

42. Previous year figures have been regrouped wherever necessary, to correspond with the current year's classification / disclosure.**For B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248W/W-100022

For Tech Mahindra Business Services Limited**Ashish Gupta**

Partner

Membership No : 215165

Place: Pune

Dated: April 30, 2022

Birendra Sen

Director

DIN No: 07956092

Place: Mumbai

Dated: April 30, 2022

Kunal Jesrani

Director

DIN No: 09234267

Place: Mumbai

Dated: April 30, 2022