TECH MAHINDRA BUSINESS SERVICES LIMITED

Board of Directors
Mr. Ritesh Idnani
Mr. Sujit Baksi
Mr. Manoj Bhat
Mr. Birendra Sen
Mrs. Suchitra Kerkar (Resigned w.e.f. 30th April, 2021)

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 Sixteenth Annual Report together with the audited Accounts of the Company for the year ended March 31, 2021.

FINANCIAL SUMMARY / RESULTS

Amount in ₹

For the year ended	March 31st 2021	March 31st 2020
Income	**7,950,037,126**	**7,823,196,880**
Expenditure	**5,642,773,615**	**5,992,488,638**
Depreciation	**741,584,992**	**650,112,175**
Profit/(Loss) Before Tax & Extra Ordinary items	**1,565,678,519**	**1,180,596,067**
Provision for Taxation	**357,808,858**	**78,610,862**
Deferred Taxes Charge/ (Credit)	**7,650,690**	**36,625,717**
Profit/ (Loss) after Tax	**1,200,218,971**	**1,065,359,487**
Profit /(Loss) Carried forward to Balance Sheet	**1,200,218,971**	**1,065,359,487**

DIVIDEND

The Board of Directors declared an Interim Dividend @ ₹ 900/- per equity share on the Face Value of ₹ 10/- during the financial year 2020-21. The dividend pay-out was ₹ 900 Mn. Your Directors are of the opinion that the said Interim Dividend be treated as final dividend for the financial year 2020-21.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION & PROTECTION FUND

Since there is no unpaid/unclaimed Dividend as on 31st March, 2021, 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 2020-21 is ₹ 7,855 Mn against the previous year ₹ 7,634 Mn. The profit before tax is ₹ 1,566 Mn against the previous year ₹ 1,181 Mn.

The head count of the Company was 7801 in March 2021 vis a vis 7519 in March 2020.

During the year the Company has earned a mutual fund gain of ₹69 Mn. The Company invests all its surplus funds in debt (Liquid, Liquid Overnight schemes) funds which provide slightly better post tax yield than the 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 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.

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

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.

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 2020-21. 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 Act 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, 2021 is uploaded on the website of the Company and can be accessed at https://techmbs.in/about-tech-mahindra-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 web site 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

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

During the year Mr. Mahesh Kulkarni resigned from the post of Company Secretary of the Company on 31st January 2021.

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. Manoj Bhat, Mr. Birendra Sen and Ms. Suchitra Kerkar. During the Financial year 2020-21, 1 (One) meeting of the CSR Committee was held on 22nd April, 2020.

During the Financial Year 2020-21, 5 (five) Board meetings were held on 22.04.2020, 22.07.2020, 19.10.2020, 21.01.2021 and 29.01.2021. 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 web site 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 Company has not given any loans or guarantees under Section 186 of the Companies Act, 2013. Investments made are within the limits provided under Section 186.

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 Secretary 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.

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 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 management incentives for advisors and contemporary learning and development initiatives. During 2020 we have taken several initiatives like Flexible Working, Reimbursement of Internet Allowance, Antigen Testing, Online Champaign to increase awareness on Covid 19, myths and precautions etc. and kept employee wellness as out top most priority.

During the year we have hired around 2778 employees, with around 99.96% sourced through internal channels, this having 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.

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 ₹ 7,855 Mn. (Previous Year - ₹7,634 Mn.) while the outgoings were ₹ 506 Mn. (Previous Year - ₹ 650 Mn).

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**	**Suchitra Kerkar** **Director**

Place: Mumbai
Date: April 19th, 2021

ANNEXURE 1

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	Manoj Bhat	Director	1	1
2	Birendra Sen	Director	1	1
3	Suchitra Kerkar	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://www.techmbs.in/pdf/compliance-and-policies/csr-policy.pdf

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	2017-18	Nil	Nil
2	2018-19	Nil	Nil
3	2019-20	Nil	Nil
Total		**Nil**	**Nil**

6. Average net profit of the company as per section 135(5). ₹ 1,080,352,490

7. (a) Two percent of average net profit of the company as per section 135(5) ₹ 21,607,050

   (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). ₹ 21,607,050

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).		
FY 2020-21	Amount in ₹	Date of transfer.	Name of the Fund	Amount in ₹	Date of transfer.
21,607,044	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.	Faith Foundation	Special Education & Employment enhancing	Yes	Maharashtra	Mumbai	12 months	31,35,190	31,35,190	-	No	TMF	CSR00001814
2.	Navjeevan Lokvikas Sanstha		Yes	Maharashtra	Mumbai	12 months	28,40,095	28,40,095	-	No	TMF	CSR00001814
3.	New Resolution India-Kandivili		Yes	Maharashtra	Mumbai	12 months	22,92,522	22,92,522	-	No	TMF	CSR00001814
4.	Sahyani		Yes	Maharashtra	Mumbai	12 months	25,37,420	25,37,420	-	No	TMF	CSR00001814
5.	Shield Foundation		Yes	Maharashtra	Mumbai	12 months	26,41,822	26,41,822	-	No	TMF	CSR00001814
6.	Helen Keller Institute for Deaf and Deaf-Blind		Yes	Maharashtra	Mumbai	12 months	23,97,328	23,97,328	-	No	TMF	CSR00001814
7.	Faith Foundation		Yes	Maharashtra	Mumbai	12 months	30,21,756	30,21,756	-	No	TMF	CSR00001814
8.	Utkarsh Mandal	Promoting Education	Yes	Maharashtra	Mumbai	12 months	2,75,000	2,75,000	-	No	TMF	CSR00001814
9.	Navnirmiti		Yes	Maharashtra	Mumbai	12 months	2,58,697	2,58,697	-	No	TMF	CSR00001814
10.	URMEE		Yes	Maharashtra	Pune	12 months	22,07,214	22,07,214	-	No	TMF	CSR00001814
	Total						**21,607,044**	**21,607,044**	**-**			

(d) Amount spent in Administrative Overheads ₹ Nil

(e) Amount spent on Impact Assessment, if applicable ₹ Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹ 21,607,044

(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)	21,607,044
(ii)	Total amount spent for the Financial Year	21,607,044
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(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)]	Nil

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.	2017-18	Nil	Nil	NA	Nil	NA	Nil
2.	2018-19	Nil	Nil	NA	Nil	NA	Nil
3.	2019-20	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). :No

    (b) Amount of CSR spent for creation or acquisition of capital asset. : Nil

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. :Not Applicable

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). :Not Applicable

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

Suchitra Kerkar
Director

Place: Mumbai

Date: April 19th, 2021

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**
(a) Name(s) of the related party and nature of relationship :	Tech Mahindra Limited (Holding Company)	Tech Mahindra Foundation (Fellow Subsidiary Company)	Mahindra Engineering & Chemical Products Ltd (Fellow Subsidiary Company)
(b) Nature of contracts/arrangements/ transactions	Reimbursement of Costs/ Revenue billings/ ESOP / Dividend/ Asset	CSR Contribution	Expenses
(c) Duration of the contracts / arrangements/transactions	April 20 - March 21	April 20 - March 21	April 20 - March 21
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Reimbursement of Costs - TML to TMBS - ₹265 Mn - TMBS to TML - ₹172 Mn - Revenue billings TMBS to TML/ TMGmbH - ₹484 Mn - ESOP TML to TMBS ₹ 15 Mn - Software Licence ₹ 1Mn - Interim Dividend TMBS to TML ₹900 Mn	CSR Contribution – ₹22 Mn as per Companies Act, 2013	Staff welfare Expenses – ₹ 93 Mn
(e) Date(s) of approval by the Board, if any:	22 April 2020	22 April 2020	22 April 2020
(f) Amount paid as advances, if any:	Nil	Nil	Nil

For and on behalf of the Board of Directors

Birendra Sen
Director

Suchitra Kerkar
Director

Place: Mumbai

Date: April 19th, 2021

ANNEXURE 3

Form No. MR-3
Secretarial Audit Report
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.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 2021** 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 2021** 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 proper balance of Executive Directors and Non-Executive Directors. There were no changes in the composition of the Board of Directors during the period under review.

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, (one board meeting 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 during the audit period –

a. In accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the Board of Directors of the Company 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 subject to the approvals of Hon’ble National Company Law Tribunal (“NCLT”) Mumbai. The Transferor Company is a Wholly Owned Subsidiary of the Transferee Company.

Yogesh Kandalgaonkar
Company Secretary
FCS No. 6197, C.P. No. 20316
Unique Document Identification Number
(UDIN): F006197C000124865

Place: Pune
Date: April 19th, 2021

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.

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): F006197C000124865

Place: Pune
Date: April 19th, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Tech Mahindra Business Services Limited

Report on the Audit of the Financial Statements Opinion

Opinion

We have audited the financial statements of Tech Mahindra Business Services Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, 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.

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 ("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 2021, 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 the 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, 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 the 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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management's 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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.

    (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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements - Refer Note 23 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

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) 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: 21215165AAAAAZ4119

Place: Pune
Date: April 19, 2021

Annexure A to the Independent Auditors' report on the financial statements of Tech Mahindra Business Services Limited for the period ended 31 March 2021

With reference to the Annexure referred to in paragraph 1 in 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2021, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the program, certain fixed assets were physically verified by the management during the year and no material discrepancies were noticed during such verification.

(c) According to the information and explanations given to us and on the basis of verification of records of the Company, the Company does not hold any immovable property. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.

(ii) The Company is a service company, primarily rendering call centre services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186, in respect of loans, investments, guarantees or security, as applicable.

(v) The Company has not accepted any deposits from the public in accordance with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Act and the rules made there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) In our opinion and according to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.

vii) (a) 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, Goods and Services Tax, Customs Duty, Income Tax and other material statutory dues have been generally 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, Goods and Services Tax, Customs Duty, Income Tax and other material statutory dues were in arrears as at 31 March 2021 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**	**Date of payment**
The Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Employer and employee contribution to Provident fund	0.54	July 2017 to September 2020	Not paid

(b) According to the information and explanations given to us, there are no dues of Income Tax, Goods and Service Tax, Service Tax, Sales Tax, Value Added and Customs Duty Tax which have not been deposited with the appropriate authorities on account of any dispute, except for the following:

Name of statute	Nature of dues	Forum where dispute is pending	Amount unpaid (₹ In Million)	Period to which the amount relates
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	237	A.Y. 2009-10
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	377	A.Y. 2010-11
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	129	A.Y. 2011-12
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	17	A.Y. 2016-17
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	11	A.Y. 2017-18
Finance Act, 1994	Service tax	Commissioner of Service Tax	108*	F.Y. 2007-08 to 2017-18

* excluding interest but includes penalties

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us, 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) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

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

Ashish Gupta
Partner
Membership No. 215165
UDIN: 20215165AAAAAN3623

Place: Pune
Date: April 19, 2021

Annexure B to the Independent Auditors' report on the financial statements of Tech Mahindra Business Services Limited for the period ended 31 March 2021.

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 1 (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 2021 in conjunction with our audit of the financial statements of the Company 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 2021, 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 Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls 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. 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 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 Companies Act, 2013 (hereinafter referred to as "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: 20215165AAAAAN3623

Place: Pune
Date: April 19, 2021

BALANCE SHEET AS AT MARCH 31, 2021

₹ in Million

	Particulars	Note No	As at March 31, 2021	As at March 31, 2020
I	**ASSETS**			
1	Non-Current Assets			
	(a) Property, Plant and Equipment	3	**704**	450
	(b) Right-of-Use of asset	4	**630**	1,096
	(c) Capital Work-In-Progress		**19**	0
	(d) Intangible Assets	5	**47**	67
	(e) Financial Assets			
	(i) Investments	6	**143**	149
	(f) Advance Income Taxes (Net of Provisions)		**1,421**	1,311
	(g) Deferred Tax Assets (net)	7	**196**	174
	(h) Other Non-current Assets	8	**629**	757
	Total Non-Current Assets		**3,789**	4,004
2	**Current Assets**			
	(a) Financial Assets			
	(i) Investments	9	**1,989**	2,067
	(ii) Trade Receivables	10	**1,312**	949
	(iii) Cash and Cash Equivalents	11	**504**	558
	(iv) Other Financial Assets	12	**53**	69
	(b) Other Current Assets	13	**219**	242
	Total Current Assets		**4,077**	3,885
	TOTAL ASSETS		**7,866**	7,889
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share Capital	14	**10**	10
	(b) Other Equity	15	**4,228**	4,018
	Total equity		**4,238**	4,028
	LIABILITIES			
1	**Non-Current Liabilities**			
	(a) Financial Liabilities			
	(i) Lease Liabilities		**348**	739
	(ii) Other Non-Current Liabilities		**-**	1
	(b) Provisions	16	**195**	161
	Total Non-Current Liabilities		**543**	901
2	**Current Liabilities**			
	(a) Financial Liabilities			
	(I) Lease Liabilities		**369**	447
	(II) Trade Payables			
	i) Dues of micro and small enterprises		**15**	3
	ii) Dues of trade payables other than micro enterprises and small enterprises		**361**	446
	(III) Other Financial Liabilities	17	**507**	300
	(b) Provisions	18	**483**	447
	(c) Current Tax Liabilities (Net)		**217**	217
	(d) Other Current Liabilities	19	**1,133**	1,100
	Total Current Liabilities		**3,085**	2,960
	TOTAL EQUITY AND LIABILITIES		**7,866**	7,889
	See accompanying notes to the financial statements	2 to 37		

As per our report of even date attached

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

Ashish Gupta
Partner
Membership No : 215165
Pune, Dated : April 19, 2021

For Tech Mahindra Business Services Limited

Birendra Sen
Director
DIN No: 07956092

Suchitra Kerkar
Director
DIN No: 07956158

Mumbai, Dated : April 19, 2021

STATEMENT OF PROFIT AND LOSS

₹ in Million except earnings per Share

	Particulars	Note No.	For the year ended March 31,2021	For the year ended March 31,2020
I	**Revenue from Operations**		**7,855**	7,634
II	Other Income	20	**95**	189
III	**Total Income (I + II)**		**7,950**	7,823
IV	EXPENSES			
	(a) Employee Benefit Expense	21	**4,786**	4,665
	(b) Finance Costs		**62**	64
	(c) Depreciation and Amortisation Expense	3,3A & 4	**742**	650
	(d) Other Expenses	22	**794**	1,263
	Total Expenses		**6,384**	6,642
V	**Profit Before Tax (III - IV)**		**1,566**	1,181
VI	**Tax Expense**			
	(1) Current Tax	33	**393**	354
	(2) Deferred Tax	34	**8**	37
	(3) Excess Tax Provision Written Back	33	**(35)**	(276)
	Total Tax Expense		**366**	115
VII	**Profit After Tax (V - VI)**		**1,200**	1,066
VIII	**Other Comprehensive Income**			
A	(i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit liabilities		**(10)**	(28)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**2**	7
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		**(110)**	(56)
	(ii) Income tax on items that will be reclassified to profit or loss		**28**	19
	Total Other Comprehensive Income (A + B)		**(90)**	(58)
IX	**Total Comprehensive Income (VII + VIII)**		**1,110**	1,008
	Earnings per Equity Share			
	Basic and Diluted [In ₹.] [Face Value ₹10]	28	**1,200**	1,066
	See accompanying notes to the financial statements	2 to 37		

As per our report of even date attached

For B S R & Co LLP	**For Tech Mahindra Business Services Limited**	
Chartered Accountants		
Firm Registration No: 101248W/W-100022		
Ashish Gupta	**Birendra Sen**	**Suchitra Kerkar**
Partner	**Director**	**Director**
Membership No : 215165	DIN No: 07956092	DIN No: 07956158
Pune, Dated : April 19, 2021	Mumbai, Dated : April 19, 2021	

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021

₹ in Million

		For the year ended March 31,2021	For the year ended March 31,2020
A.	**Cash flow from Operating Activities:**		
	Profit before tax	**1,566**	1,181
	Adjustments for:		
	Depreciation and Amortisation Expense	**742**	650
	Interest Income	**(12)**	(12)
	Interest Expenses	**62**	64
	Net gain on disposal of Property,Plant and Equipment	**(2)**	(6)
	Unrealised Exchange loss (net)	**38**	33
	Gain on sale of Investments (net)	**(69)**	(100)
	Operating profit before working capital changes	**2,325**	1,810
	Changes in working capital:		
	Trade Receivables and Other Assets	**(171)**	984
	Trade Payables,Other Liabilities and Provisions	**23**	542
	Cash generated from operations	**2,177**	3,336
	Income taxes paid	**(468)**	(407)
	Net cash flow from / (used in) operating activities (A)	**1,709**	2,929
B.	**Cash flow from Investing activities:**		
	Purchase of Property, plant and Equipment and Intangible assets (Including Capital Work-in-progress)	**(541)**	(379)
	Disposal of ROU Assets	**66**	
	Purchase of Mutual Funds	**(7,179)**	(8,454)
	Proceeds from sale of Mutual Funds	**7,322**	7,542
	Proceeds from other investments	**5**	-
	Proceeds from Sale of Property, Plant and Equipment	**2**	6
	Net cash flow (used in) / from investing activities (B)	**(325)**	(1,285)
C.	**Cash flow from financing activities:**		
	Repayment of Lease Liabilities	**(469)**	(391)
	Interest Payment on Lease Liabilities	**(62)**	(64)
	Dividend Paid	**(900)**	(600)
	Dividend Distribution tax	**-**	(123)
	Net cash flow used in financing activities (C)	**(1,431)**	(1,178)
D.	**Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)**	**(47)**	466
E.	**Effect of exchange rate changes on Cash and Cash Equivalents**	**(7)**	7
F.	**Cash and Cash Equivalents at beginning of the year**	**558**	85
G.	**Cash and Cash Equivalents at end of the year (D+E+F)**	**504**	558
	Cash and Cash Equivalents comprises of		
	Cash in hand	**0**	0
	Balances with Banks:		
	- Current Accounts	**503**	548
	- Deposit Accounts	**1**	10
	Cash and Cash Equivalents as per Balance Sheet (refer note 11)	**504**	558

As per our report of even date attached

For B S R & Co LLP	**For Tech Mahindra Business Services Limited**	
Chartered Accountants		
Firm Registration No: 101248W/W-100022		
Ashish Gupta	**Birendra Sen**	**Suchitra Kerkar**
Partner	**Director**	**Director**
Membership No : 215165	DIN No: 07956092	DIN No: 07956158
Pune, Dated : April 19, 2021	Mumbai, Dated : April 19, 2021	

STATEMENT OF CHANGES IN EQUITY

a. Equity Share Capital

Particulars	Number of Shares	Equity Share Capital ₹ in Million
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**
Balance at April 1, 2019	**1,000,000**	**10**
Changes in equity share capital during the year	-	-
Balance at March 31, 2020	**1,000,000**	**10**

b. Other Equity

₹ in Million

Particulars	Reserves & Surplus		Items of Other Comprehensive Income	Total
	Capital Redemption Reserve	Retained Earnings	Cash Flow Hedge Reserve	
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**
Balance as of April 1, 2019	666	3,093	48	3,807
Transition impact of Ind AS 116	-	(99)	-	(99)
Deferred tax asset on transition impact of Ind AS 116	-	25	-	25
Restated Balance as at April 1, 2019	**666**	**3,019**	**48**	**3,733**
Profit for the year	-	1,066	-	1,066
Other Comprehensive Income	-	(21)	(37)	(58)
Total Comprehensive income	**-**	**1,045**	**(37)**	**1,008**
Interim Dividend	-	(600)	-	(600)
Tax on Dividend	-	(123)	-	(123)
Balance at March 31, 2020	**666**	**3,341**	**11**	**4,018**

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. Retained Earnings- 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.
4. The Board of Directors at their board meeting held on January 21, 2021 approved the interim dividend of ₹ 900 per equity share, which was paid on January 25, 2021 amounting to ₹900 million (March 31, 2020 ₹600 million) of which tax was deducted amounting to TDS of ₹68 million as per the provisions of section 194 of the Income Tax Act, 1961 (Dividend Distribution Tax March 31, 2020 ₹123 million).

As per our report of even date attached

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

Ashish Gupta
Partner
Membership No : 215165
Pune, Dated : April 19, 2021

For Tech Mahindra Business Services Limited

Birendra Sen
Director
DIN No: 07956092

Suchitra Kerkar
Director
DIN No: 07956158

Mumbai, Dated : April 19, 2021

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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 19, 2021.

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 financials 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.

Transition to Ind AS 116

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application. The Company has elected relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review and excluded initial direct costs from measuring the right of use asset at the date of initial application. The Company has used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments discounted using the lessee’s incremental borrowing rate at the date of initial application. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee’s incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of ₹ 981 million and a corresponding lease liability of ₹ 1,055 million has been recognized. The cumulative effect on transition in retained earnings net off taxes is ₹ 74 million. The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 6.96% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to, to discounting of the lease liabilities as per the requirement of Ind AS 116.

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 information technology and business process outsourcing 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.

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 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. There are no such notifications that are applicable for the Company from FY 2020-21 onwards.

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments primarily relate to

a) Change in existing presentation requirements items in Balance sheet, for eg. lease liabilities, security deposits, current maturities of long-term borrowings, effect of prior period errors on Equity Share capital.

b) Additional disclosure requirements in specified formats, for eg. ageing of trade receivables, trade payables, capital work in progress, intangible assets, shareholding of promoters, etc.

c) Disclosure if funds have been used other than for the specific purpose for which it was borrowed from banks and financial institutions.

d) Additional Regulatory Information, for e.g. compliance with layers of companies, title deeds of immovable properties, financial ratios, loans and advances to key managerial personnel, etc.

e) Disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

The amendments are extensive and the Company is evaluating the same.

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, 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**

₹ 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, 2019	266	1,199	93	191	267	10	2,026
Additions for the year	24	147	5	60	27	1	264
Deletion for the year	(11)	(0)	(4)	(8)	(5)	(8)	(36)
Transferred to ROU asset	-	-	-	-	(42)	-	(42)
Balance as at March 31, 2020	**279**	**1,346**	**94**	**243**	**247**	**3**	**2,212**
II. Accumulated depreciation							
Balance as at April 1, 2019	237	947	69	116	209	10	1,588
Depreciation for the year	17	147	11	27	10	1	213
On deletion	(11)	(0)	(4)	(8)	(5)	(8)	(36)
Transferred to ROU asset	-	-	-	-	(3)	-	(3)
Balance as at March 31, 2020	**243**	**1,094**	**76**	**135**	**211**	**3**	**1,762**
Net Block as on March 31, 2020	**36**	**252**	**18**	**108**	**36**	**-**	**450**

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, 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**

₹ in Million

Description of Assets	Right-of-use of Asset
I. Gross Block	
Balance as at April 1, 2019	981
Additions for the year	482
Deletion for the year	(74)
Transferred from Property Plant & Equipment	42
Balance as at March 31, 2020	**1,431**
II. Accumulated depreciation	
Balance as at April 1, 2019	-
Depreciation for the year	406
On deletion	(74)
Transferred from Property Plant & Equipment	3
Balance as at March 31, 2020	**335**
Net Block as on March 31, 2020	**1,096**

Note 4: Intangible Assets

₹ in Million

Description of Assets	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**

₹ in Million

Description of Assets	Computer Software
I. Gross Block	
Balance as at April 1, 2019	694
Additions for the year	16
Deletion for the year	-
Balance as at March 31, 2020	**710**
II. Accumulated amortisation	
Balance as at April 1, 2019	612
Amortisation for the year	31
Deletion	-
Balance as at March 31, 2020	643
Net Block as on March 31, 2020	**67**

Note 6: Other Financial Assets : Non- Current

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	**143**	149
TOTAL	**143**	149

Note 7: Deferred Tax Assets (Net)

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax arising on account of temporary differences on :		
Property, Plant and Equipment	**67**	79
Leases	**22**	22
Gratuity, Leave Encashment and Bonus	**86**	69
Fair Valuation of Mutual Fund	**(7)**	3
MTM on forward contracts	**28**	1
TOTAL	**196**	174

Note 8: Other Non-Current Assets

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid Expenses	**7**	1
Deferred Contract Costs	**314**	473
Balances with government authorities	**308**	283
TOTAL	**629**	757

Note 9: Investments : Current

₹ in Million

Particulars	As at			
	March 31, 2021		March 31, 2020	
Investment in Mutual Funds - Unquoted (Carried at fair value through Profit and Loss)	**No of Units**	**₹**	**No of Units**	**₹**
Nippon India Liquid Fund Direct Plan Growth Option-LFAG	199,190	1,002	-	-
Nippon India Overnight Fund - Direct Growth Plan (ONAGG)	-	-	9,297,144	997
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan	62,286	21	826,675	264
ICICI Prudential Liquid Fund - Direct Plan - Growth	522,677	158	691,276	203
Mahindra Manulife Liquid Fund- Direct - Growth	533,503	714	394,074	508
Axis Liquid Fund - Direct Growth - CFDG	40,926	94	41,097	90
Investment in Bonds - Quoted (Carried at fair value through Profit and Loss)				
5.25% National Highways Authority of India Bonds	-	-	500	5
TOTAL		**1,989**		2,067

Particulars	₹	₹
Aggregate amount of Quoted investment	-	5
Aggregate amount of Unquoted investment	**1,989**	2,062
Aggregate Market Value of Quoted investment	-	5

Note 10: Trade Receivables : Current

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Receivables considered good -Unsecured (Also refer note 30)	**1,312**	949
Receivables- Credit impaired	**-**	
Less: Allowance for expected credit loss	**-**	-
TOTAL	**1,312**	949

Note 11: Cash and Cash Equivalents

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	**0**	0
Balances with banks		
(i) In Current Account	**503**	548
(ii) In Deposit Account (original maturities less than three months)	**1**	10
TOTAL	**504**	558

Note 12: Other Financial Assets : Current

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	**0**	0
Interest accrued on deposits	**0**	0
Unbilled Revenue	**-**	40
Foreign currency derivative assets	**14**	6
Other Receivables from related party (refer note 30)	**39**	23
TOTAL	**53**	69

Note 13: Other Current Assets

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid Expenses	**38**	53
Deferred Contract Costs	**175**	172
Balances with government authorities	**-**	3
Other Advances	**6**	14
TOTAL	**219**	242

Note 14: Equity Share Capital

Share Capital	As at March 31, 2021 Number	As at March 31, 2021 ₹ Million	As at March 31, 2020 Number	As at March 31, 2020 ₹ Million
Authorised				
67,650,000 (March 31, 2019: 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, 2020: 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	As at March 31, 2021 Number	As at March 31, 2021 ₹	As at March 31, 2020 Number	As at March 31, 2020 ₹
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 March 31, 2021 ₹ in million	As at March 31, 2020 ₹ in million
Equity Shares :		
Tech Mahindra Limited, the holding company		
999,994 (March 31, 2020: 999,994) Equity shares of ₹10 each fully paid	**10**	10
Tech Mahindra Limited jointly with Vishwanath Kini		
1 (March 31, 2020: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Gautam Shirali		
1 (March 31, 2020: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Manoj Bhat		
1 (March 31, 2020: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Manoj Joshi		
1 (March 31, 2020: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Aniruddha Gadre		
1 (March 31, 2020: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Anil Khatri		
1 (March 31, 2020: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Anil Khatri		
1 (March 31, 2020: 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, 2021 No.	As at March 31, 2021 % holding in the class	As at March 31, 2020 No.	As at March 31, 2020 % 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%

Note 15: Other Equity

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Redemption Reserve	**666**	666
Cash Flow Hedge Reserve		
Opening balance	**11**	48
Change in fair value of derivatives (Net)	**(82)**	(37)
Closing Balance	**(71)**	11
Surplus in Statement of Profit and Loss		
Opening Balance	**3,341**	3,093
Less: Transition impact of Ind AS 116	**-**	(99)
Add : Deferred tax asset on transition impact	**-**	25
	3,341	3,019
Add: Transferred from Other Comprehensive Income	**(8)**	(21)
Add: Net Profit for the year	**1,200**	1,066
Less: Dividend	**900**	600
Less: Tax on Dividend	**-**	123
Closing Balance	**3,633**	3,341
TOTAL	**4,228**	4,018

Note 16: Provisions : Non-Current

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
- Gratuity	**155**	133
- Compensated absences	**40**	28
TOTAL	**195**	161

Note 17: Other Financial Liabilities : Current

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Foreign currency Derivative Liabilities	**168**	8
Creditors for capital supplies / services	**60**	14
Accrued wages and salaries	**279**	278
TOTAL	**507**	300

Note 18: Provisions : Current

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Gratuity	**59**	53
Compensated absences	**83**	53
Provision for Contingencies	**341**	341
TOTAL	**483**	447

Note 19: Other Current Liabilities

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Contract Liability	**123**	35
Statutory Dues	**92**	109
Advance from Customers	**910**	956
Others	**8**	0
TOTAL	**1,133**	1,100

Note 20: Other Income

₹ in Million

Particulars	For the year ended March 31,2021	For the year ended March 31,2020
Interest income		
- Bank Deposits	**0**	0
- Other financial assets	**13**	20
Net Gain on mutual funds carried at FVTPL	**69**	100
Net gain on disposal of Property, Plant and Equipment and Intangible Assets	**2**	6
Foreign Exchange Gain (net)	**-**	62
Miscellaneous Income	**11**	1
TOTAL	**95**	189

Note 21: Employee Benefits Expense

₹ in Million

Particulars	For the year ended March 31,2021	For the year ended March 31,2020
Salaries and wages, including bonus	**4,376**	4,208
Contribution to provident and other funds (Refer Note 24(i))	**160**	157
Gratuity (Refer note 24 (ii))	**30**	26
Staff welfare expenses	**220**	274
TOTAL	**4,786**	4,665

Note 22: Other Expenses

₹ in Million

Particulars	For the year ended March 31,2021	For the year ended March 31,2020
Power & Fuel	**79**	134
Rent (Refer note 31)	**8**	5
Repairs and maintenance - Machinery	**24**	26
Repairs and maintenance - Others	**230**	194
Insurance charges	**43**	44
Legal and other professional fees	**71**	74
Subcontracting Expenses	**44**	80
Advertisement, Promotion & Selling Expenses	**5**	3
Travelling Expenses	**124**	396
Expenditure on corporate social responsibility (CSR) (Refer Note 30)	**22**	22
Recruitment Expenses	**26**	52
Communication Expenses	**56**	24
Provision for Contingencies	**-**	126
Foreign Exchange Loss	**25**	-
Miscellaneous Expenses	**37**	83
TOTAL	**794**	1,263

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, 2021 ₹ 38 million (March 31, 2020: ₹ 63 million).

ii. Contingent liabilities

Amount in ₹ Million

Sr. No	Nature of dues	Period	Grounds of Dispute	As at March 31, 2021 *	As at March 31, 2020 *
1	Income-tax	A.Y 2009-10	Income tax order on account of 1. Transfer Pricing Adjustment 2. Disallowance of deduction under section 10A	498 (261)	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	7 (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	26 (Nil)	26 (Nil)

* The figures in bracket indicate demands paid under disputes.

**There are no adjustment/addition been 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 component.

iii. The Company is subject to legal proceedings and claims, 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, 2021: ₹ 7 million (March 31, 2020 ₹ 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 March 31, 2021**	**For the year ended March 31, 2020**
Employer's Contribution to Provident Fund	**119**	108
Employer's Contribution to Employee's State Insurance	**4**	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**

Amount in ₹ Million

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Defined benefit obligation at the beginning of the period	**186**	156
Interest cost	**12**	10
Current Service Cost	**18**	16
Benefit Paid	**(12)**	(24)
Actuarial (Gain)/ loss arising from changes in demographic assumptions	**0**	0
Actuarial (Gain)/ loss arising from changes in financial assumptions	**8**	5
Actuarial (Gain)/ loss arising from experience adjustments	**2**	23
Projected benefit obligation, at the year ended	**214**	186

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

Amount in ₹ Million

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Interest cost	**12**	10
Service cost	**18**	16
Total	**30**	26

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

Amount in ₹ Million

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Actuarial (Gain)/ loss arising from changes in demographic assumptions		0
Actuarial (Gain)/ loss arising from changes in financial assumptions	**8**	5
Actuarial (Gain)/ loss arising from experience adjustments	**2**	23
Total	**10**	28

d) **Actuarial Assumptions**

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Discount Rate (per annum)	**5.4%**	6.3%
Salary Escalation Rate (per annum)	**7%**	7%
Attrition Rate	**0% to 58%**	0% to 58%
Mortality Rate	**Indian Assured Lives Mortality (2006-08) Ult**	Indian Assured Lives Mortality (2006-08) Ult

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 5 million (increase by 5 million) as of March 31, 2021

If the expected salary growth increases (decreases) by 0.50%, the defined benefit obligations would increase by 5 million (decrease by 5 million) as of March 31, 2021.

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

Amount in ₹ Million

March 31, 2022	59
March 31, 2023	44
March 31, 2024	34
March 31, 2025	26
March 31, 2026	22
March 31, 2027 to March 31, 2031	93

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 28th 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 13th 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. Payment to auditors (net of taxes for which input credit is availed)

Amount in ₹ Million

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Audit Fees (including quarterly audits)	**5**	4
For Other services	**0**	2
Total	**5**	6

26. 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, 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	-	-	-	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**

The carrying value of financial instruments by categories as of March 31, 2020 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	2,067	-	-	-	2,067	2,067
Trade Receivables	-	-	-	949	949	949
Cash and Cash equivalents	-	-	-	558	558	558
Other Financial Assets	-	-	6	212	218	218
Total	**2,067**	**-**	**6**	**1,719**	**3,792**	**3,792**
Liabilities:						
Lease Liabilities	-	-	-	1,186	1,186	1,186
Trade Payables	-	-	-	449	449	449
Other Financial liabilities	-	-	9	1,115	1,124	1,124
Total	**-**	**-**	**9**	**2,750**	**2,759**	**2,759**

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, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets:				
Mutual fund/Bond units	1,989	-	-	1,989
Derivative Financial Assets	-	14	-	14
Total	**1,989**	**14**	**-**	**2,003**
Financial Liabilities:				
Derivative Financial liabilities	-	168	-	168
Total	-	**168**	-	**168**

Amount in ₹ Million

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial Assets:				
Mutual fund units	2,067	-	-	2,067
Derivative Financial Assets	-	6	-	6
Total	**2,067**	**6**	**-**	**2,073**
Financial Liabilities:				
Other Financial Liabilities	-	9	-	9
Total	**-**	**9**	**-**	**9**

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, 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 35 days. Over the last 10 years, the Company has never faced any 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 ₹ 4,001 Million and ₹ 3,792 Million as of March 31, 2021 and March 31, 2020 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, 2021 and March 31, 2020 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		Indian Rupees Equivalent	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Trade Payable	**USD 0**	USD 0	**27**	7
Trade Payable	**EUR 0**	EUR 0	**8**	15
Trade Payable	**GBP 0**	GBP 0	**30**	26
Trade Payable	**NZD -**	NZD 0	**-**	2
Trade Receivables	**AUD 6**	AUD 6	**328**	278
Trade Receivables	**EUR 1**	EUR 2	**75**	192
Trade Receivables	**GBP 9**	GBP 4	**863**	410
Trade Receivables	**NZD 1**	NZD 1	**36**	68

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, 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**

As at March 31, 2020

Foreign Currency	Amount of contracts (In million)	Fair value (₹ in million) (Gain)/Loss
AUD / INR	6	(2)
EUR / INR	5	2
GBP / INR	8	4

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, 2021	For the year ended March 31, 2020
Credit /(Debit) balance at the beginning of the year	**11**	48
Changes in the fair value of the effective portion of cash flow Hedges	**(110)**	(56)
Tax impact on effective portion of outstanding cash flow hedges	**28**	19
Credit / (Debit) balance at the end of the year	**(71)**	11

Net loss on derivative instruments of ₹ 113 million recognized in Hedging Reserve as at March 31, 2021, is expected to be transferred to the statement of profit and loss by March 31, 2022.

Impact of COVID-19 (Global pandemic)

The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. There is no impact on effectiveness of its hedges.

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, 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**

As at March 31, 2020

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	447	601	138	-	1,186
Trade and other payables	448	-	-	-	448
Other financial liabilities	1,115	-	-	-	1,115
Total	**2,010**	**601**	**138**	-	**2,749**
Derivative financial liabilities	9	-	-	-	9
Total	**9**	**-**	**-**	**-**	**9**

27. 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, typically those contracts where invoicing is on time and material basis. 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

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2021, other than those meeting the exclusion criteria mentioned above, is ₹ 32,152 million. Out of this, the Company expects to recognize revenue of around 22% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessments the occurrence of the same is expected to be remote.

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 ended March 31, 2021 as follows:

Amount in ₹ Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contract liabilities:		
Opening Balance	**35**	39
Less: Revenue recognised during the reporting period	**(38)**	(35)
Add: Invoiced during the period but, not recognised as revenues	**126**	35
Add: Transaction loss/ (Gain)	**0**	(4)
Closing Balance	**123**	35

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, 2021	For the year ended March 31, 2020
Contracted transaction for the year ended	**8,051**	7,806
Less: Adjustment for upfront discount and rebate	**(196)**	(172)
Revenue recognized in the statement of profit and loss for the year ended	**7,855**	7,634

28. Earnings Per Share is calculated as follows:

₹ in Million except earnings per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit attributable to shareholders	**1,200**	1,066
Equity Shares outstanding as at the end of the period (in nos.)	**1,000,000**	1,000,000
Weighted average Equity Shares outstanding as at the end of the period 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 ₹)	**1,200**	1,066
Earnings Per Share (Diluted) (in ₹)	**1,200**	1,066

29. 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, 2021, Statement of Profit, and Loss for the year ended then pertain to only one business segment.

Geographical Segments:

Amount in ₹ Million

Sr. No	Particulars	Within India	Outside India	Total
1	Segment revenue by location of customers	**23** [5]*	**7,832** [7,629]*	**7,855** [7,634]*
2	Carrying amount of segment asset (Gross)	**6,103** [6,595]*	**1,763** [1,294]*	**7,866** [7,889]*
3	Additions to tangible and intangible assets	**7,866** [7,889]*	**10** [17]*	**568** [762]*

*Figures in bracket refer to amount for the year ended March 31, 2020 for revenue and assets.

During the year ended March 31, 2021, three customers with total revenue of ₹ 7,832 million individually accounted for more than 10% of the revenue. Geographies contributed more than 10% of total revenue are as below:

Amount in ₹ Million

Sr. No	Countries	For the year ended March 31, 2021	For the year ended March 31, 2020
1	United Kingdom	**5,620**	4,778
2	Australia	**1,186**	1,587
3	Ireland	**1,026**	1,163
4	India	**23**	5
5	Rest of World	**-**	101

30. Related Party Disclosures

As required by Ind AS 24 - Related Party Disclosures, following are details of transactions during the year ended March 31, 2021 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 Engineering & Chemical Products Limited	Fellow Subsidiary Company
Tech Mahindra Foundation	Associate Company
Birendra Sen	Director
Suchitra Kerkar	Director
Ritesh Idnani	Director
Manoj Bhat	Director
Sujit Baksi	Director
Mahesh Kulkarni	Company Secretary (Till 31st January 2021)

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

Related Party transactions for the year ended March 31, 2021:

Amount in ₹ Million

Nature of Transactions	Name of the Party	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue	Tech Mahindra Limited	**482**	585
Revenue	Tech Mahindra GmbH	**2**	-
Subcontract Expenses	Tech Mahindra Limited	**44**	80
Reimbursement of Expenses (Net)-Paid / (Receipt)	Tech Mahindra Limited	**(137)**	(158)
Staff Welfare Expenses	Mahindra Engineering & Chemical Products Limited	**93**	-
Remuneration to Key Management Personnel	Birendra Sen	**14**	15
Remuneration to Key Management Personnel	Suchitra Kerkar	**9**	9
Purchase of Intangible Assets-Software licences	Tech Mahindra Limited	**1**	1
Employee Stock Options granted to the Employees	Tech Mahindra Limited	**15**	11
Dividend Paid	Tech Mahindra Limited	**900**	600
CSR Contribution	Tech Mahindra Foundation (Section 8)	**22**	22

Related Party Balances as at March 31, 2021

Amount in ₹ Million

Balances As on	Name of the Party	As at March 31, 2021	As at March 31, 2020
Trade Payables (Net)	Tech Mahindra Limited	**129**	97
Trade Receivable (Net)	Tech Mahindra Limited	**20**	23
Other Receivable	Tech Mahindra Limited	**39**	151
Contract Liabilities	Tech Mahindra Limited	**26**	6

31. Lease

a) **Amount recognised in statement of Profit and loss account**

Amount in ₹ Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on lease liabilities	**62**	64
Short-term lease expense	**8**	5
Depreciation	**408**	406
Total	**478**	475

b) **Maturity analysis for lease liabilities**

Amount in ₹ Million

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Minimum Lease Payments		
For 1 Year	**395**	465
For 2 To 5 years	**371**	785
Above five year	**-**	-

Amount in ₹ Million

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Present Value of Minimum Lease Payments		
For 1 Year	**369**	447
For 2 To 5 years	**348**	739
Above five year	**-**	-

32. Income Tax Expense

Amount in ₹ Million

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Current Tax:		
In respect of current year	**393**	354
In respect of previous years (*)	**(35)**	(276)
Deferred Tax		
In respect of current year	**8**	37
Total Income Tax Expense recognised	**366**	115

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, 2021**	**For the year ended March 31, 2020**
Profit/(Loss) before income taxes	**1,566**	1,181
Enacted tax rates in India	**25.17%**	25.17%
Income tax expense calculated at enacted rate	**394**	297
Effect of expenses that are not deductible in determining taxable profit	**5**	37
Effect of incomes that are not taxable in determining taxable profit	**(2)**	(11)
Ind AS 116 Transition impact	**-**	2
Impact of MTM Gain on derivative accounting	**-**	14
Impact of change in tax rate	**-**	50
Previous year tax provision reversal	**(35)**	(276)
Short / (excess) provision for deferred tax	**4**	2
Income tax expense recognised in profit or loss	**366**	115

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, 2021, the Company has reversed excess Income tax provision amounting to ₹ 35 million for the assessment years (A.Y.) AY 2012-13, AY 2013-14, AY 2014-15, AY 2015-16, AY 2017-18 and AY 2020-21.

33. The tax effect of significant timing differences that has resulted in deferred tax assets are given below:

Amount in ₹ Million

Particulars	As at March 31, 2021	Recognised in Profit and Loss	Recognised in OCI	As at March 31, 2020
Depreciation	67	(12)	-	79
Lease	22	-	-	22
Gratuity	54	4	3	47
Bonus	1	-	-	1
Leave Encashment	31	10	-	21
Fair valuation of Mutual funds	(7)	(10)	-	3
MTM on forward contracts	28	-	27	1
Net Deferred Tax Assets	**196**	**(8)**	**30**	**174**

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 ₹ 15 million (March 31, 2020: ₹ 11 millions).

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

Amount in ₹ Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Principal amount due to suppliers under MSMED Act,2006	**15**	3
(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.		

36. 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.

37. Previous year figures have been regrouped wherever necessary, to correspond with the current period's classification / disclosure.

As per our report of even date attached		
For B S R & Co LLP	**For Tech Mahindra Business Services Limited**	
Chartered Accountants		
Firm Registration No: 101248W/W-100022		
Ashish Gupta	**Birendra Sen**	**Suchitra Kerkar**
Partner	Director	Director
Membership No : 215165	DIN No: 07956092	DIN No: 07956158
Pune, Dated : April 19, 2021	Mumbai, Dated : April 19, 2021	