

29th January, 2021

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code : 532755

National Stock Exchange of India Limited
Exchange Plaza, 5th floor,
Plot No. - C/1, G Block,
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051
NSE Symbol : TECHM

Sub: Outcome of Board Meeting held on 29th January, 2021

Dear Sir/Madam,

Pursuant to Regulation 33, read with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the Board of Directors of the Company at its meeting held today:

1. Approved the Audited financial results and consolidated financial results of the Company for the quarter ended 31st December, 2020, together with Auditors Report thereon.

In this regard, please find enclosed:

- a. Audited financial results and consolidated financial results of the Company for the quarter ended 31st December, 2020, together with Auditors Report thereon.
 - b. Press Release on the financial results.
 - c. Fact Sheet giving certain financial and operational parameters which will be put up on the Company website.
2. Noted the resignation of Mr. V. S. Parthasarathy, Non-Executive Director of the Company, effective from 31st January, 2021. Mr. Parthasarathy has resigned as Director consequent to his other official commitments.
 3. The Board of Directors of the Company at its meeting held on 29th January, 2021, subject to requisite consents and approvals from Hon'ble jurisdictional NCLTs, approved the Scheme of Merger by Absorption of Tech Mahindra Business Services Limited ("TMBSL") and Born Commerce Private Limited ("Born"), two wholly owned subsidiaries with the Company and their respective Shareholders ("Scheme") pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013



The salient features of the proposed Scheme are as under:-

- a) The Appointed Date of the Scheme would be 1st April, 2021.
- b) The entire assets and liabilities of TMBSL and Born to be transferred to and recorded by the Company at book values.
- c) The entire share capital of TMBSL and Born is held by the Company. Upon the Scheme becoming effective, all equity shares held by the Company in TMBSL and Born as on the Effective Date shall stand cancelled, without any further act or deed. Accordingly, in respect of the Scheme, except for extinguishment of shares held by the Company in TMBSL and Born, no consideration whatsoever shall pass to TMBSL and Born.

The details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 are given in Annexure A to this letter.

This is for your information and record.

Thanking you,

For Tech Mahindra Limited


Anil Khatri
Company Secretary
MPK



Encl.: as above

Amalgamation/ Merger:

| Sr. No. | Details of Events that need to be provided | Information of such events(s) | | | | | | | | | | | | | | | | |
|------------------------|---|---|-------------|-------|------|-----|-----------------|------|------|--------|------------------------|--------|-------|-----------|-----------------------|--------|-------|-----------|
| a) | Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as size, turnover, etc. | <p>The details of Tech Mahindra Business Services Limited (Transferor Company 1” or “TMBSL”), Born Commerce Private Limited (“Transferor Company 2” or “Born”) (collectively referred to as “Transferor Companies”) and Tech Mahindra Limited (“Transferee Company” or “TML”), is as under:</p> <p style="text-align: right;">As on 31st March, 2020 (INR in crores)</p> <table border="1" data-bbox="719 801 1342 1055"> <thead> <tr> <th>Particulars</th> <th>TMBSL</th> <th>Born</th> <th>TML</th> </tr> </thead> <tbody> <tr> <td>Paid-up Capital</td> <td>0.10</td> <td>6.43</td> <td>482.90</td> </tr> <tr> <td>Net-worth (Standalone)</td> <td>402.63</td> <td>77.85</td> <td>20,798.55</td> </tr> <tr> <td>Turnover (Standalone)</td> <td>763.40</td> <td>60.41</td> <td>29,225.40</td> </tr> </tbody> </table> | Particulars | TMBSL | Born | TML | Paid-up Capital | 0.10 | 6.43 | 482.90 | Net-worth (Standalone) | 402.63 | 77.85 | 20,798.55 | Turnover (Standalone) | 763.40 | 60.41 | 29,225.40 |
| Particulars | TMBSL | Born | TML | | | | | | | | | | | | | | | |
| Paid-up Capital | 0.10 | 6.43 | 482.90 | | | | | | | | | | | | | | | |
| Net-worth (Standalone) | 402.63 | 77.85 | 20,798.55 | | | | | | | | | | | | | | | |
| Turnover (Standalone) | 763.40 | 60.41 | 29,225.40 | | | | | | | | | | | | | | | |
| b) | Whether, the transaction would fall within related party transaction? If yes, whether the same is done at arm’s length? | <p>The Transferor Companies are wholly-owned subsidiaries of the Transferee Company and as such related party to each other.</p> <p>However, the Ministry of Corporate Affairs has clarified vide its General Circular No. 30/2014 dated July 17, 2014 that transactions arising out of Compromise, Arrangements and Amalgamations dealt with under specific provisions of the Companies Act, 2013, will not fall within the purview of related party transaction in terms of Section 188 of the Companies Act, 2013.</p> <p>Further, pursuant to Regulation 23(5)(b) of the Listing Regulations, the related party transaction provisions are not applicable to the proposed Scheme, as well as the Scheme is exempted from the provisions of SEBI circular dated March 10, 2017.</p> | | | | | | | | | | | | | | | | |



| | | |
|----|-----------------------------------|---|
| c) | Area of business of the entities | <p>TMBSL:</p> <p>TMBSL is a leading Business Process Outsourcing ('BPO') company which provides voice based call centre services to its clients for their specific customer activities and provides a number of customer related functions like customer care, billing related queries, Mobile Number Portability (MNP), hand set related queries, network related queries, price plan related queries, channel support, collection and value added services.</p> <p>Born:</p> <p>Born is engaged in providing offshore production services (i.e) pre- media and digital media services) to its group companies located outside India and sale to other external customers.</p> <p>TML:</p> <p>TML is an Indian multinational, offering a full range of Information Technology (IT) services and Industry Specific Solutions to help clients to take advantage of opportunities which includes convergence, digital, design, experience, innovation platform, telecom services, consulting, application outsourcing, infrastructure outsourcing, engineering and Business Process Outsourcing.</p> |
| d) | Rationale for amalgamation/merger | <p>The Transferor Companies and Transferee Company are under same control and management of TML which is engaged in IT consultancy business and the Company holds 100% share capital of Transferor Companies. As all the companies are under common control and management, it is proposed to amalgamate TMBSL and Born with TML. The proposed amalgamation will be beneficial to the Transferor Companies, the Transferee Company, their respective shareholders and creditors, employees and other stakeholders and will lead to consolidation of entities and greater efficiency in the overall combined business including economies of scale, efficiency of operations, operational rationalization, reduction in overheads including administrative, managerial</p> |



| | | |
|----|---|---|
| | | <p>and other expenditure, optimal utilization of resources, reduction in the multiplicity of legal and regulatory compliances.</p> <p>The proposed scheme of merger by absorption pursuant to the provisions of the Companies Act will be beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of TMBSL, Born, and TML.</p> |
| e) | In case of cash consideration – amount or otherwise share exchange ratio | The entire share capital of TMBSL and Born is held by the Company. Upon the Scheme becoming effective, all equity shares held by the Company in TMBSL and Born as on the Effective Date shall stand cancelled, without any further act or deed. Accordingly, in respect of the Scheme, except for extinguishment of shares held by the Company in TMBSL and Born, no consideration whatsoever shall pass to TMBSL and Born. |
| f) | Brief details of change in shareholding pattern (if any) of the listed entity | There will be no change in the shareholding pattern of the Transferee company pursuant to the scheme as no shares are being issued by the Transferee company in connection with the Scheme. |

For Tech Mahindra Limited

Anil Khatri
Anil Khatri
 Company Secretary



Profit after tax for the quarter at Rs. 13,098 Million up 23% over previous quarter

Tech Mahindra Limited

Registered Office : Gateway Building, Apollo Bunder, Mumbai 400 001. Website : www.techmahindra.com.

Email : investor.relations@techmahindra.com. CIN : L64200MH1986PLC041370

Audited Consolidated Interim Financial Results for the quarter and nine months period ended December 31, 2020

| | | Rs. in Million except Earnings per share | | | | | |
|----|---|--|--------------------|-------------------|--------------------------|-------------------|----------------|
| | Particulars | Quarter ended | | | Nine months period ended | | Year ended |
| | | December 31, 2020 | September 30, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 | March 31, 2020 |
| 1 | Revenue from Operations | 96,471 | 93,718 | 96,546 | 281,252 | 273,775 | 368,677 |
| 2 | Other Income | 2,209 | 1,175 | 3,496 | 7,545 | 9,072 | 11,924 |
| 3 | Total Income (1 + 2) | 98,680 | 94,893 | 100,042 | 288,797 | 282,847 | 380,601 |
| 4 | EXPENSES | | | | | | |
| | Employee Benefits Expenses | 49,688 | 48,279 | 47,905 | 146,018 | 139,971 | 188,100 |
| | Subcontracting Expenses | 11,997 | 12,218 | 15,766 | 37,376 | 41,650 | 54,408 |
| | Finance Costs | 421 | 399 | 550 | 1,323 | 1,387 | 1,919 |
| | Depreciation and Amortisation Expense | 3,584 | 3,717 | 3,848 | 11,133 | 10,476 | 14,458 |
| | Other Expenses | 15,831 | 16,191 | 17,242 | 48,868 | 48,371 | 68,908 |
| | Impairment of Goodwill and non current assets | - | - | - | - | - | 2,175 |
| | Total Expenses | 81,521 | 80,804 | 85,311 | 244,718 | 241,855 | 329,968 |
| 5 | Profit before share in profit/(loss) of associates and tax (3-4) | 17,159 | 14,089 | 14,731 | 44,079 | 40,992 | 50,633 |
| 6 | Share of Profit / (Loss) of Associates | 5 | 4 | 5 | 10 | (70) | (55) |
| 7 | Profit before Tax (5 + 6) | 17,164 | 14,093 | 14,736 | 44,089 | 40,922 | 50,578 |
| 8 | Tax Expense | | | | | | |
| | Current Tax | 4,746 | 4,150 | 3,737 | 12,999 | 9,435 | 12,378 |
| | Deferred Tax | (483) | (688) | (108) | (1,998) | (223) | (774) |
| | Total Tax Expense | 4,263 | 3,462 | 3,629 | 11,001 | 9,212 | 11,604 |
| 9 | Profit after tax (7 - 8) | 12,901 | 10,631 | 11,107 | 33,088 | 31,710 | 38,974 |
| | Profit for the period attributable to: | | | | | | |
| | Owners of the Company | 13,098 | 10,646 | 11,459 | 33,467 | 32,291 | 40,330 |
| | Non Controlling Interests | (197) | (15) | (352) | (379) | (581) | (1,356) |
| 10 | Other Comprehensive Income / (Loss) | | | | | | |
| | A. Items that will not be reclassified to Profit or (Loss) (net of taxes) | (67) | 1,646 | 64 | 1,610 | (88) | (150) |
| | B. Items that will be reclassified to Profit or (Loss) (net of taxes) | (449) | 1,081 | (415) | 1,004 | (297) | (907) |
| | Total Other Comprehensive Income / (Loss) (A+B) | (516) | 2,727 | (351) | 2,614 | (385) | (1,057) |
| 11 | Total Comprehensive Income (9 + 10) | 12,385 | 13,358 | 10,756 | 35,702 | 31,325 | 37,917 |
| | Total Comprehensive Income for the period attributable to: | | | | | | |
| | Owners of the Company | 12,546 | 13,318 | 11,044 | 36,040 | 31,848 | 39,156 |
| | Non Controlling Interests | (161) | 40 | (288) | (338) | (523) | (1,239) |
| 12 | Paid-up Equity Share Capital (Face Value of Share Rs. 5) | 4,366 | 4,362 | 4,356 | 4,366 | 4,356 | 4,359 |
| 13 | Total Reserves | | | | | | 213,772 |
| 14 | Earnings Per Equity Share (Rs) | | | | | | |
| | (EPS for the quarter and nine months ended periods is not annualised) | | | | | | |
| | Basic | 14.98 | 12.18 | 13.13 | 38.29 | 36.99 | 46.21 |
| | Diluted | 14.87 | 12.11 | 13.03 | 37.99 | 36.73 | 45.85 |

Standalone Information

| Particulars | Quarter ended | | | Nine months period ended | | Year ended |
|-------------------------|-------------------|--------------------|-------------------|--------------------------|-------------------|----------------|
| | December 31, 2020 | September 30, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 | March 31, 2020 |
| Revenue from Operations | 75,650 | 74,044 | 77,001 | 221,341 | 216,595 | 292,254 |
| Profit before Tax | 16,398 | 12,576 | 12,490 | 39,993 | 38,137 | 53,322 |
| Profit after Tax | 12,556 | 9,615 | 9,227 | 30,713 | 31,417 | 45,345 |

Tech Mahindra Limited

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Audited Consolidated Interim Financial Results for the quarter and nine months period ended December 31, 2020

Primary Segments

The Company identifies its Primary Business Segments based on the type of services offered, i.e. IT Services & BPO services.

Segment wise Revenue, Results and Capital Employed

| Particulars | Quarter ended | | | Nine months period ended | | Year ended |
|--|-------------------|--------------------|-------------------|--------------------------|-------------------|----------------|
| | December 31, 2020 | September 30, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 | March 31, 2020 |
| Segment Revenue | | | | | | |
| a) IT | 85,905 | 84,193 | 87,067 | 253,766 | 247,883 | 334,564 |
| b) BPO | 10,566 | 9,525 | 9,479 | 27,486 | 25,892 | 34,113 |
| Total Sales / Income from operations | 96,471 | 93,718 | 96,546 | 281,252 | 273,775 | 368,677 |
| Segment Profit before tax, interest and depreciation | | | | | | |
| a) IT | 16,447 | 14,947 | 14,052 | 43,898 | 40,048 | 52,303 |
| b) BPO | 2,508 | 2,083 | 1,581 | 5,092 | 3,735 | 4,958 |
| Total | 18,955 | 17,030 | 15,633 | 48,990 | 43,783 | 57,261 |
| Less: | | | | | | |
| (i) Finance costs | 421 | 399 | 550 | 1,323 | 1,387 | 1,919 |
| (ii) Other un-allocable expenditure, net off un-allocable income | 1,375 | 2,542 | 352 | 3,588 | 1,404 | 4,709 |
| Add: | | | | | | |
| Share of Profit / (Loss) of Associates | 5 | 4 | 5 | 10 | (70) | (55) |
| Profit before tax | 17,164 | 14,093 | 14,736 | 44,089 | 40,922 | 50,578 |

| Statement of Segment Assets and Liabilities | December 31, 2020 | September 30, 2020 | December 31, 2019 | March 31, 2020 |
|---|-------------------|--------------------|-------------------|----------------|
| Segment Assets | | | | |
| Trade and Other Receivables | | | | |
| IT | 90,863 | 90,624 | 106,149 | 106,941 |
| BPO | 10,294 | 9,127 | 11,775 | 9,665 |
| Total Trade and Other Receivables | 101,157 | 99,751 | 117,924 | 116,606 |
| Goodwill | | | | |
| IT | 34,581 | 32,870 | 30,298 | 30,132 |
| BPO | 3,745 | 3,745 | 3,745 | 3,745 |
| Total Goodwill | 38,326 | 36,615 | 34,043 | 33,877 |
| Unallocable Assets | 250,378 | 246,130 | 204,528 | 223,052 |
| TOTAL ASSETS | 389,861 | 382,496 | 356,495 | 373,535 |
| Segment Liabilities | | | | |
| Unearned Revenue | | | | |
| IT | 7,939 | 6,161 | 6,046 | 5,492 |
| BPO | 77 | 1,127 | 823 | 1,001 |
| Total Unearned Revenue | 8,016 | 7,288 | 6,869 | 6,493 |
| Unallocable Liabilities | 141,114 | 134,155 | 124,513 | 144,978 |
| TOTAL LIABILITIES | 149,130 | 141,443 | 131,382 | 151,471 |

Segmental Capital Employed

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

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Audited Consolidated Interim Financial Results for the quarter and nine months period ended December 31, 2020

Notes :

- The quarterly and nine months period ended results have been reviewed by the Audit Committee and have been approved and taken on record by the Board of Directors in its meeting held on January 29, 2021.
- The Board of Directors at its meeting held on October 23, 2020, had declared a special dividend of Rs. 15 per equity share on face value of Rs. 5/- (300%) which was subsequently paid during the quarter ended December 31, 2020. The amount was recognised as distribution to equity shareholders.
- The Company has considered the possible effects that may result from COVID-19, a global pandemic, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues and on cost budgets in respect of fixed price contracts, impact on leases and impact on effectiveness of its hedging relationships. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of the consolidated interim financial results has used internal and external source of information including economic forecasts. The Company based on current estimates expects that the carrying amount of the assets will be recovered, net of provisions established. The impact of COVID-19 on the consolidated interim financial results may differ from that estimated as at the date of approval of these consolidated interim financial results.
- Certain matters relating to erstwhile Satyam Computer Services Limited (erstwhile Satyam):**
Proceedings in relation to 'Alleged Advances':
Erstwhile Satyam had, in the past, received letters from 37 companies seeking confirmation by way of acknowledgement of receipt of certain alleged amounts by the erstwhile Satyam (referred to as 'alleged advances'). These letters were followed with legal notices claiming repayment for a sum of Rs. 12,304 Million together with damages/compensation @ 18% per annum till the date of repayment. The erstwhile Satyam had not acknowledged any liability and replied to the legal notices stating that the claims are not legally tenable. Subsequently, the 37 companies filed petitions for recovery against the erstwhile Satyam before the City Civil Court, Secunderabad of which 1 petition was converted into a suit and the balance 36 petitions are at various stages of pauperism/suit admission.
The Hon'ble High Court in its Order approving the merger of the erstwhile Satyam with the Company, held that in the absence of Board resolutions and documents evidencing acceptance of unsecured loans, i.e. alleged advances, by the former Management of the erstwhile Satyam, the new Management of the erstwhile Satyam is justified in not crediting the amounts received in their names and not disclosing them as creditors and in disclosing such amounts as 'Amounts pending investigation suspense account (net)' in the financial statements. The Hon'ble High Court held, inter-alia, that the contention of the 37 companies that Satyam is retaining the money, i.e. the alleged advances, of the 'creditors' and not paying them does not appear to be valid and further held that any right of the objecting creditors can be considered only if the genuineness of the debt is proved.
Appeals were filed before the Division Bench of the Hon'ble High Court of Andhra Pradesh against the Order of the single judge of the Hon'ble High Court of Andhra Pradesh and the Hon'ble High Court of Bombay sanctioning the scheme of merger of erstwhile Satyam with the Company w.e.f. April 1, 2011, which are yet to be heard. One of the aforesaid companies also filed an appeal against the order rejecting the Petition for winding up of the erstwhile Satyam. These matters have been combined for hearing.

The Directorate of Enforcement (ED) while investigating the matter under the Prevention of Money Laundering Act, 2002 (PMLA) had directed the erstwhile Satyam not to return the alleged advances until further instructions. Subsequently, ED had attached Fixed Deposits for an aggregate value of Rs.8,220 Million alleged to be the proceeds of crime. The Hon'ble High Court of Judicature at Hyderabad granted stay on December 11, 2012 and set aside the Provisional attachment order on December 31, 2018. Subsequently, ED filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India against the above order of the Hon'ble High Court of Telangana.

In view of the aforesaid and based on an independent legal opinion, the Management believes that the claim by the 37 companies for repayment of the alleged advances, including interest thereon is not legally tenable. Consequently, pending the final outcome of the proceedings, as a matter of prudence, the Company has accounted and disclosed the amount of Rs. 12,304 Million as 'Suspense Account (net)'.
5 Satyam Venture Engineering Services Private Limited (SVES)
Accounting for sales commission
During the financial year 2011-2012, the Board of SVES reassessed the need to accrue sales commission considering that no services were rendered by Venture Global LLC during the period from FY 2005-2006 to FY 2011-2012. Accordingly, the Board of SVES decided to write back sales commission amounting to Rs. 359 Million pertaining to the years from FY 2005-2006 to FY 2010-2011 and to not accrue for sales commission for FY 2011-2012 amounting to Rs. 170 Million. However, pending the final disposal of legal proceedings in relation to disputes between Tech Mahindra Ltd and Venture Global LLC, the Board of SVES decided to account for a contingency provision for the sales commission amounting to Rs. 529 Million covering the period from FY 2005-2006 to FY 2011-2012. Considering the Order of the Honorable High Court of Andhra Pradesh dated August 23, 2013 directing all parties to maintain status quo, the Board of SVES based on a legal opinion decided not to reverse the contingency provision made in FY 2011-2012. Further, since the matter is subjudice, sales commission for subsequent periods has been disclosed as a contingent liability amounting to Rs. 2,420 Million as on December 31, 2020 (March 31, 2020: Rs. 2,146 Million).
Adoption of Financial statements
At the Annual General Meetings of the SVES held on October 29, 2012, September 10, 2013, September 22, 2014, September 07, 2015, July 29, 2016, July 19, 2017, July 23, 2018, July 23, 2019 and July 17, 2020 one of the shareholders abstained from voting on the resolution for adoption of audited financial statements as at and for the year ended March 31, 2012, March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017, March 31, 2018, March 31, 2019 and March 31, 2020 respectively. In terms of Article 66 of the Articles of Association of SVES, the adoption of audited financial statements requires unanimous consent of both the shareholders of SVES. Therefore, the said financials have not been approved by the shareholders.
The financial statements of SVES as at and for the quarter and nine months ended December 31, 2020 have been drawn up incorporating the opening balances based on above said financial statements which have not been adopted by the Shareholders. Adjustments required, if any, will be made in accounts as and when determined.
- The Company, pursuant to a share purchase agreement acquired 51% stake in Cerium Systems Private Limited ("Cerium") on April 9, 2020 for a total consideration of Rs. 1,454 Million, out of which Rs. 916 Million was paid upfront. Further, the Company has entered into an agreement to purchase the balance 49% stake over a period of three years, ending March 31, 2023. During the period ended December 31, 2020, the Company has acquired 6% stake at Rs. 164 Million. Further, the Company has made earnout payment for first tranche amounting to Rs. 412 Million. As at December 31, 2020, contractual obligation towards the acquisition amounts to Rs. 1,420 Million.
- The Company, pursuant to a share purchase agreement acquired 100% stake in Zen3 Infosolutions Private Limited on April 9, 2020 for a consideration of Rs. 141 Million. Further, the Company through its wholly owned subsidiary, Tech Mahindra (Americas) Inc., acquired 100% stake in Zen3 Infosolutions (America) Inc. for a consideration of USD 51.34 Million (Rs. 3,882 Million) out of which USD 34.57 million (Rs. 2,614 Million) was paid upfront. The agreement also provides for guaranteed payment of USD 3.85 million (Rs 292 Million) and contingent consideration linked to financial performance of financial year ending 2021 to 2023. As at December 31, 2020, contractual obligation towards the said acquisition amounts to USD 19.5 million (Rs. 1,425 Million).
- The Company, pursuant to a share purchase agreement acquired 100% stake in Tenzing Limited and Tenzing Australia Limited (together known as Tenzing Group) through its wholly owned subsidiary Tech Mahindra Singapore Pte. Limited on December 1, 2020 for a consideration of NZD 39.57 Million (Rs. 2,083 Million) out of which NZD 30.05 Million (Rs. 1,581 Million) was paid upfront. The Company has performed preliminary purchase price allocation. As at December 31, 2020, contractual obligation towards the said acquisition amounts to NZD 9.52 million (Rs. 502 Million).
- Tax expense for the nine months period ended December 31, 2020 is net of provision of Rs. Nil of earlier periods, no longer required, written back. (Quarter ended "QE" December 31, 2020: Rs. Nil) (QE September 30, 2020: Rs. Nil) (QE December 31, 2019: Rs. 236 Million) (Nine months period ended December 31, 2019: Rs. 2,133 Million). Tax expense for the year ended March 31, 2020 is net of provision of Rs. 2,755 Million of earlier periods, no longer required, written back.
- The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post – employment benefits has received the Presidential assent in September 2020. The Ministry of Labour and Employment had released draft rules for the Code on November 13, 2020, and had invited suggestions from stakeholders which are under active consideration by the Ministry. However, the effective date from which the changes are applicable is yet to be notified. The Company and its Indian subsidiaries will evaluate and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.

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Audited Consolidated Interim Financial Results for the quarter and nine months period ended December 31, 2020

11 Emphasis of Matters

The Emphasis of Matters in the Auditor's Report pertains to the following:

(i) With relation to Note 4 in respect of certain matters relating to erstwhile Satyam Computer Services Limited (erstwhile Satyam), amalgamated with the Company with effect from April 1, 2011 which is discussed below:

The Company's Management, on the basis of current legal status and external legal opinion, has concluded that claims made by 37 companies in the City Civil Court for alleged advances amounting to Rs. 12,304 Million made by these companies to erstwhile Satyam and presented separately under 'Suspense account (net)', will not sustain on ultimate resolution by the Court.

(ii) With relation to Note 5 in case of one of the subsidiaries of the Group, the other auditors in their auditor's report have drawn attention to a possible charge, that may arise in respect of the on-going dispute which is currently sub-judice between the promoters of the subsidiary on various issues relating to the shareholders agreement, the outcome of which is not determinable at this stage. Further, the auditors have drawn attention to the fact that the annual financial statements for the years ended from March 31, 2012 to March 31, 2020 have not yet been adopted by the members of that subsidiary in their respective annual general meetings in the absence of unanimous consent of both the shareholders. The condensed consolidated interim financial statements as at and for the quarter and nine months period ended December 31, 2020 have been drawn up by incorporating the opening balances based on the above mentioned financial statements which have not been adopted by the shareholders of the subsidiary company. Adjustments to the opening balances, if any, will be made once the abovementioned financial statements are adopted.

12 Management response to Emphasis of Matters:

With regard to the Emphasis of Matters stated in Note 11 above, there are no additional developments on Emphasis of Matters mentioned in Notes 4 and 5 above which require adjustments to the consolidated audited interim financial results.

13 The Financial Results have been made available to the Stock Exchanges where the Company's securities are listed and are posted on the Company's website at the web-link: <https://www.techmahindra.com/en-in/investors/>.

Date : January 29, 2021

Place : Mumbai



C. P. Gurnani
Managing Director & CEO

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF TECH MAHINDRA LIMITED

Report on the audit of the Consolidated Interim Financial Results

Opinion

We have audited the accompanying Statement of Consolidated Interim Financial Results of Tech Mahindra Limited ("Holding company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint venture for the quarter ended 31 December 2020 and the year to date results for the period from 1 April 2020 to 31 December 2020 ("the Statement or "the consolidated interim financial results"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate audited financial statements/ financial information of subsidiaries, associates and joint venture, the Statement:

- a. includes the results of the entities listed in Annexure 1:
- b. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
- c. gives a true and fair view, in conformity with the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the quarter ended 31 December 2020 as well as the year to date results for the period from 1 April 2020 to 31 December 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Interim Financial Results* section of our report. We are independent of the Group, its associates and its joint venture 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 consolidated interim financial results 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 obtained by us along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated interim financial results.

Emphasis of Matter

- a) We draw attention to Note 4 of the consolidated interim financial results in respect of certain matters relating to erstwhile Satyam Computer Services Limited ("erstwhile Satyam"), amalgamated with the Parent with effect from 1 April 2011. The Holding Company's management, on the basis of current legal status and external legal opinion, has concluded that claims made by 37 companies in the City Civil Court, for alleged advances amounting to Rs. 12,304 million, to erstwhile Satyam and presented separately under "Suspense account (net)", will not sustain on ultimate resolution by the Court as explained in the aforesaid note.

Tech Mahindra Limited
Independent Auditors' Report – 31 December 2020 (continued)

Emphasis of Matter (continued)

- b) We draw attention to Note 5 of the consolidated interim financial results which more fully explains that in case of one of the subsidiary company, the other auditors in their auditors' report have drawn attention to a possible charge, that may arise in respect of the on-going dispute which is currently sub-judice between the promoters of the subsidiary on various issues relating to the shareholders agreement, the outcome of which is not determinable at this stage.

Further, the auditors have drawn attention to the fact that the annual financial statements, of the said subsidiary, for the years ended from 31 March 2012 to 31 March 2020 have not yet been adopted by the members of that subsidiary in the annual general meetings in the absence of unanimous consent of both the shareholders. The financial statements as at and for the quarter and year to date period ended 31 December 2020 have been drawn up by incorporating the opening balances based on the above-mentioned financial statements. Adjustments to the opening balances, if any, will be made once the abovementioned financial statements are adopted.

Our opinion is not modified in respect of these matters.

Responsibilities of Management and Those Charged with Governance for the Consolidated Interim Financial Results

These consolidated interim financial results have been prepared on the basis of the condensed consolidated interim financial statements. The Management and the Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated interim financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group including its associates and joint venture in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management / Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated interim financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated interim financial results by the Management and the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated interim financial results, the respective Management / Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Management / Board of Directors either intends to liquidate the companies or to cease operations, or have no realistic alternative but to do so.

The respective Management / Board of Directors of the companies included in the Group and of its associates and joint venture is responsible for overseeing the financial reporting process of the Group, its associates and joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Interim Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated interim financial results 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 consolidated interim financial results.

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 consolidated interim financial results, 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, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management'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 appropriateness of this assumption. 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 consolidated interim financial results 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 Group and its associates and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated interim financial results, including the disclosures, and whether the consolidated interim financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and joint venture to express an opinion on the consolidated interim financial results, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated interim financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled "Other Matters" in this audit report.

B S R & Co. LLP

Tech Mahindra Limited
Independent Auditors' Report – 31 December 2020 (continued)

Auditor's Responsibilities for the Audit of the Consolidated Interim Financial Results (continued)

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated interim financial results of which we are the independent auditors 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

The consolidated interim financial results include the audited financial results of 57 subsidiaries whose interim financial statements / financial information reflect total revenue (before consolidation adjustments) of INR 24,843 million and INR 77,149 million and total net profit after tax (before consolidation adjustments) of INR 1,399 million and INR 3,657 million for the quarter ended 31 December 2020 and for the year-to-date period ended 31 December 2020 respectively, as considered in the consolidated interim financial results. These condensed interim financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated interim financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in the paragraph above.

Our opinion on the consolidated interim financial results is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

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

JAMIL
AHMED
KHATRI

Digitally signed by
JAMIL AHMED
KHATRI
Date: 2021.01.29
16:58:45 +05'30'

Jamil Khatri
Partner

Place: Mumbai
Date: 29 January 2021

Membership No: 102527
UDIN: 21102527AAAAAA2178

**Tech Mahindra Limited
Independent Auditors' Report – 31 December 2020 (continued)**

Annexure 1: List of entities consolidated as at and for the period ended 31 December 2020

i) List of subsidiaries:

| | | | |
|----|--|----|--|
| 1 | Tech Mahindra (Americas) Inc. | 34 | Tech Mahindra Servicios De Informatica S.A |
| 2 | Tech Talenta Inc. | 35 | Tech Mahindra De Mexico S.DE R.L.DE C.V |
| 3 | Tech Mahindra GmbH | 36 | Satyam Venture Engineering Services Private Limited |
| 4 | TechM IT - Services GmbH | 37 | Satyam Venture Engineering Services (Shanghai) Co Limited |
| 5 | Tech Mahindra Norway AS | 38 | Satven GmbH |
| 6 | Tech Mahindra (Singapore) Pte Limited | 39 | vCustomer Philippines Inc., |
| 7 | Tech Mahindra (Thailand) Limited | 40 | vCustomer Philippines(Cebu), Inc., |
| 8 | Tech Mahindra ICT Services (Malaysia) SDN. BHD | 41 | Mahindra Engineering Services (Europe) Limited |
| 9 | PT Tech Mahindra Indonesia | 42 | Inter-Informatics,spol. s r.o. |
| 10 | Tech Mahindra (Beijing) IT Services Limited | 43 | Inter-Informatics SRL |
| 11 | Tech Mahindra (Nigeria) Limited | 44 | TC Inter-Informatics a.s. |
| 12 | Tech Mahindra (Bahrain) Limited. S.P.C. | 45 | Comviva Technologies Singapore Pte. Ltd |
| 13 | Tech Mahindra Business Services Limited | 46 | Comviva Technologies FZ-LLC |
| 14 | Tech Mahindra South Africa (Pty) Limited | 47 | Comviva Technologies B.V. |
| 15 | Tech Mahindra Holdco Pty Limited | 48 | Comviva Technologies (Australia) Pty Ltd |
| 16 | Tech Mahindra Communications Japan Co., Ltd | 49 | Comviva Technologies Mexico, S de R.L. de C.V |
| 17 | Tech Mahindra DRC SARLU | 50 | Comviva Technologies Madagascar Sarlu |
| 18 | NTH Dimension Ltd | 51 | Leadcom Uganda Limited |
| 19 | Tech Mahindra Arabia Limited | 52 | Comviva Technologies (Argentina) S.A |
| 20 | Tech Mahindra Netherlands B.V. | 53 | Comviva Technologies do Brasil Industria, Comercio, Importacao e Exportacao Ltda |
| 21 | Tech Mahindra Sweden AB | 54 | Comviva Technologies Colombia S.A.S |
| 22 | Tech Mahindra LLC | 55 | Emagine International Pty Ltd |
| 23 | Tech Mahindra Chile SpA | 56 | YABX Technologies (Netherlands) B.V. |
| 24 | Comviva Technologies Limited | 57 | Sofgen Holdings Limited |
| 25 | Leadcom DRC SPRL | 58 | Tech-Mahindra Ecuador S.A |
| 26 | Comviva Technologies Nigeria Limited | 59 | Tech-Mahindra S.A |
| 27 | Tech Mahindra (Shanghai) Co. Ltd | 60 | Sofgen Ireland Limited (dissolved on 5 May 20) |
| 28 | Tech Mahindra (Nanjing) Co. Ltd | 61 | Lightbridge Communications Corporation |
| 29 | Tech Mahindra Technologies, Inc. | 62 | Sofgen Africa Limited |
| 30 | The Bio Agency Ltd | 63 | Leadcom Integrated Solutions Tanzania Ltd. |
| 31 | Tech Mahindra Vietnam Company Limited | 64 | Tech Mahindra Costa Rica Sociedad Anonima |
| 32 | Citisoft Plc. | 65 | Tech-Mahindra Guatemala S.A |
| 33 | Citisoft Inc. | | |

Annexure 1: List of entities consolidated as at and for the period ended 31 December 2020 (continued)

| | | | |
|-----|--|-----|--|
| 66 | Tech Mahindra (Switzerland) SA (Formerly known as Sofgen SA) | 101 | Lightbridge Communications Corporations LLC |
| 67 | Leadcom Integrated Solutions (L.I.S) Ltd. | 102 | LCC do Brasil Ltda |
| 68 | Leadcom Ghana Limited | 103 | Tech-Mahindra Bolivia S.R.L. |
| 69 | Leadcom Gabon S.A. | 104 | Tech-Mahindra Panama, S.A. |
| 70 | Leadcom Integrated Solutions Rwanda Ltd. | 105 | Tech Mahindra Products Services Singapore Pte. Limited (Formerly known as Sofgen Services Pte. Ltd.) |
| 71 | Leadcom Integrated Solutions Tchad SARL | 106 | Tech Mahindra Colombia S.A.S |
| 72 | Leadcom Integrated Solutions (SPV) SAS | 107 | Pininfarina of America Corp. |
| 73 | STA Dakar | 108 | Pininfarina Deutschland Holding GmbH |
| 74 | PF Holdings B.V. | 109 | Pininfarina Deutschland GmbH |
| 75 | Coniber S.A. | 110 | Pininfarina Shanghai Co., Ltd |
| 76 | Leadcom Integrated Solutions Myanmar Co. Ltd | 111 | Pininfarina Engineering S.R.L |
| 77 | Societe de Telecommunications Africaine (STA) Abidjan | 112 | Tech Mahindra Fintech Holdings Limited |
| 78 | Pininfarina S.p.A. | 113 | Target TG Investments Limited |
| 79 | Target Group Limited | 114 | Tech Mahindra Healthcare LLC |
| 80 | Target Servicing Limited | 115 | Tech Mahindra Healthcare Systems Holdings LLC |
| 81 | Target Financial Systems Limited | 116 | HCI Group UK Limited (Struck off w.e.f. 29 September 2020) |
| 82 | Elderbridge Limited | 117 | The CJS Solutions Group LLC |
| 83 | Tech Mahindra Network Services International Inc. | 118 | HCI Group Australia Pty Ltd |
| 84 | Tech Mahindra Network Services Belgium | 119 | TML Benefit Trust |
| 85 | LCC Telecom GmbH | 120 | Healthcare Clinical Informatics Ltd |
| 86 | LCC Design and Deployment Services Ltd. | 121 | Leadcom Integrated Solutions Kenya Limited |
| 87 | LCC Italia s.r.l. | 122 | LCC Central America de Mexico SA de CV |
| 88 | LCC Network Services, B.V. | 123 | LCC France SARL |
| 89 | LCC North Central Europe, B.V. | 124 | LCC Wireless Communications Espana, SA |
| 90 | LCC Europe B.V | 125 | LCC Networks Poland Sp.z.o.o |
| 91 | LCC Telekomunikasyon Servis Limited | 126 | Leadcom Integrated Solutions International B.V. |
| 92 | LCC United Kingdom Limited | 127 | Dynacommerce Holding B.V. |
| 93 | LCC Deployment Services UK Limited | 128 | Dynacommerce B.V. |
| 94 | LCC Wireless Communications Services Marox, SARLAU | 129 | Comviva Technologies USA Inc |
| 95 | LCC Middle East FZ-LLC | 130 | Comviva Technologies Cote D'ivoire |
| 96 | LCC Engineering & Deployment Services Misr, Ltd | 131 | Mad*Pow Media Solutions, LLC |
| 97 | Tech-Mahindra de Peru S.A.C. | 132 | Objectwise Consulting Group Inc. |
| 98 | LCC Saudi Arabian Telecom Services Co Ltd | 133 | Dynalean B.V. (Merged with Dynacommerce B.V. w.e.f August 11, 2020) |
| 99 | LCC Saudi Arabian Telecom Services Co. Ltd/Jordan WLL | 134 | Born Commerce Private Limited |
| 100 | LCC Muscat LLC | 135 | Born Group Pte Limited |

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Annexure 1: List of entities consolidated as at and for the period ended 31 December 2020 (continued)

| | | | |
|-----|---|-----|---|
| 136 | Group FMG Holdings B.V. | 151 | Zen3 Infosolutions Private Limited (acquired on April 9, 2020) |
| 137 | Whitefields Holdings Asia Limited | 152 | Oslo Solutions LLC (Acquired on 09 April 2020) |
| 138 | Born Japan Kabhushiki Kaisha | 153 | Zen3 Infosolutions Inc (Acquired on 09 April 2020) |
| 139 | Born Digital Sdn Bhd | 154 | Zen3 Information Technologies Limited (Acquired on 09 April 2020) |
| 140 | Born Creative Commerce Group Inc. | 155 | Cerium Systems Private Limited (Acquired on 09 April 2020) |
| 141 | Born London Limited | 156 | Tech Mahindra Cerium Systems Inc. (Acquired on 09 April 2020 and formerly known as Cerium Systems Inc.) |
| 142 | Born Group Inc | 157 | Tech Mahindra Cerium Systems SDN. BHD. (Acquired on 09 April 2020 and formerly known as Cerium Systems SDN. BHD.) |
| 143 | Born Group HK Company Limited | 158 | Tech Mahindra Luxembourg S.ar.l. (Incorporated on 22 May 2020) |
| 144 | Comviva Technologies Myanmar Limited | 159 | Tech Mahindra Credit Solutions Inc. (Incorporated on 17 August 2020) |
| 145 | Tech Mahindra Spain S.L. | 160 | YABX India Private Limited (Incorporated on 15 July 2020) |
| 146 | Tech Mahindra France. | 161 | Tenzing Limited (Acquired on 01 December 2020) |
| 147 | Harlosh Limited | 162 | Tenzing Australia Limited (Acquired on 01 December 2020) |
| 148 | Mahindra Engineering Services ESOP Trust | 163 | Tech Mahindra Technology Services LLC (Incorporated on 31 December 2020) |
| 149 | Satyam Associates Trust | | |
| 150 | Zen3 Infosolutions (America) Inc. (Acquired on 09 April 2020) | | |

ii) List of Associates and Joint Venture:

| | | | |
|---|----------------------|---|---|
| 1 | Avion Networks, Inc. | 5 | Signature S.r.l. |
| 2 | SARL Djazatech | 6 | Vitaran Electronics Private Limited |
| 3 | EURL LCC UK Algeria | 7 | Info Tek Software & Systems Private Limited |
| 4 | Goodmind S.r.l. | 8 | SCTM Engineering Corporation (Joint Venture) (Incorporated on 23 December 2020) |

Tech Mahindra Limited

Registered Office : Gateway Building, Apollo Bunder, Mumbai 400 001. Website : www.techmahindra.com.

Email : investor.relations@techmahindra.com. CIN : L64200MH1986PLC041370

Audited Standalone Interim Financial Results for the quarter and nine months period ended December 31, 2020

| | Particulars | Rs. in Million except Earnings per share | | | | | |
|----|---|--|--------------------|-------------------|--------------------------|-------------------|----------------|
| | | Quarter ended | | | Nine months period ended | | Year ended |
| | | December 31, 2020 | September 30, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 | March 31, 2020 |
| 1 | Revenue from Operations | 75,650 | 74,044 | 77,001 | 221,341 | 216,595 | 292,254 |
| 2 | Other Income | 2,863 | 1,570 | 2,896 | 7,148 | 11,085 | 23,662 |
| 3 | Total Income (1 + 2) | 78,513 | 75,614 | 79,897 | 228,489 | 227,680 | 315,916 |
| 4 | EXPENSES | | | | | | |
| | Employee Benefit Expenses | 24,009 | 23,090 | 23,584 | 69,647 | 69,518 | 92,827 |
| | Subcontracting Expenses | 27,410 | 29,266 | 31,097 | 86,291 | 85,689 | 116,074 |
| | Finance Costs | 148 | 154 | 157 | 485 | 398 | 667 |
| | Depreciation and Amortisation Expense | 1,659 | 1,701 | 1,670 | 5,046 | 4,957 | 6,674 |
| | Other Expenses | 8,889 | 8,827 | 10,899 | 27,027 | 28,981 | 40,798 |
| | Impairment of Non current investments | - | - | - | - | - | 5,554 |
| | Total Expenses | 62,115 | 63,038 | 67,407 | 188,496 | 189,543 | 262,594 |
| 5 | Profit before Tax (3 - 4) | 16,398 | 12,576 | 12,490 | 39,993 | 38,137 | 53,322 |
| 6 | Tax Expense | | | | | | |
| | Current Tax | 4,022 | 3,265 | 3,448 | 10,539 | 7,199 | 8,813 |
| | Deferred Tax | (180) | (304) | (185) | (1,259) | (479) | (836) |
| | Total Tax Expense | 3,842 | 2,961 | 3,263 | 9,280 | 6,720 | 7,977 |
| 7 | Profit after tax (5 - 6) | 12,556 | 9,615 | 9,227 | 30,713 | 31,417 | 45,345 |
| 8 | Other Comprehensive Income / (Loss) | | | | | | |
| | A. Items that will not be reclassified to Profit or (Loss) (net of taxes) | (45) | 40 | 55 | 21 | (64) | (98) |
| | B. Items that will be reclassified to Profit or (Loss) (net of taxes) | (526) | 1,351 | (1,645) | 1,301 | (1,464) | (3,136) |
| | Total Other Comprehensive Income / (Loss) (A+B) | (571) | 1,391 | (1,590) | 1,322 | (1,528) | (3,234) |
| 9 | Total Comprehensive Income (7 + 8) | 11,985 | 11,006 | 7,637 | 32,035 | 29,889 | 42,111 |
| 10 | Paid-up Equity Share Capital (Face Value of Share Rs. 5) | 4,837 | 4,833 | 4,827 | 4,837 | 4,827 | 4,829 |
| 11 | Total Reserves | | | | | | 217,905 |
| 12 | Earnings Per Equity Share in Rs. | | | | | | |
| | (EPS for the quarter and nine months ended periods is not annualised) | | | | | | |
| | - Basic | 12.97 | 9.93 | 9.54 | 31.72 | 32.49 | 46.89 |
| | - Diluted | 12.88 | 9.88 | 9.48 | 31.49 | 32.27 | 46.56 |

Tech Mahindra Limited

Registered Office : Gateway Building, Apollo Bunder, Mumbai 400 001. Website : www.techmahindra.com.

Email : investor.relations@techmahindra.com. CIN : L64200MH1986PLC041370

Audited Standalone Interim Financial Results for the quarter and nine months period ended December 31, 2020

Notes :

- 1 The quarterly and nine months period ended results have been reviewed by the Audit Committee and have been approved and taken on record by the Board of Directors in its meeting held on January 29, 2021.
- 2 The Board of Directors at its meeting held on October 23, 2020, had declared a special dividend of Rs. 15 per equity share on face value of Rs. 5/- (300 %) which was subsequently paid during the quarter ended December 31, 2020. The amount was recognised as distribution to equity shareholders.
- 3 The Company has considered the possible effects that may result from COVID-19, a global pandemic, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues and on cost budgets in respect of fixed price contracts, impact on leases and impact on effectiveness of its hedging relationships. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of the standalone interim financial results has used internal and external source of information including economic forecasts. The Company based on current estimates expects that the carrying amount of the assets will be recovered, net of provisions established. The impact of COVID-19 on the standalone interim financial results may differ from that estimated as at the date of approval of these standalone interim financial results.
- 4 **Certain matters relating to erstwhile Satyam Computer Services Limited (erstwhile Satyam):**
Proceedings in relation to 'Alleged Advances':
Erstwhile Satyam had, in the past, received letters from 37 companies seeking confirmation by way of acknowledgement of receipt of certain alleged amounts by the erstwhile Satyam (referred to as 'alleged advances'). These letters were followed with legal notices claiming repayment for a sum of Rs. 12,304 Million together with damages/compensation @ 18% per annum till the date of repayment. The erstwhile Satyam had not acknowledged any liability and replied to the legal notices stating that the claims are not legally tenable. Subsequently, the 37 companies filed petitions for recovery against the erstwhile Satyam before the City Civil Court, Secunderabad of which 1 petition was converted into a suit and the balance 36 petitions are at various stages of pauperism/suit admission.
The Hon'ble High Court in its Order approving the merger of the erstwhile Satyam with the Company, held that in the absence of Board resolutions and documents evidencing acceptance of unsecured loans, i.e. alleged advances, by the former Management of the erstwhile Satyam, the new Management of the erstwhile Satyam is justified in not crediting the amounts received in their names and not disclosing them as creditors and in disclosing such amounts as 'Amounts pending investigation suspense account (net)' in the financial statements. The Hon'ble High Court held, inter-alia, that the contention of the 37 companies that Satyam is retaining the money, i.e. the alleged advances, of the 'creditors' and not paying them does not appear to be valid and further held that any right of the objecting creditors can be considered only if the genuineness of the debt is proved.
Appeals were filed before the Division Bench of the Hon'ble High Court of Andhra Pradesh against the Order of the single judge of the Hon'ble High Court of Andhra Pradesh and the Hon'ble High Court of Bombay sanctioning the scheme of merger of erstwhile Satyam with the Company w.e.f. April 1, 2011, which are yet to be heard. One of the aforesaid companies also filed an appeal against the order rejecting the Petition for winding up of the erstwhile Satyam. These matters have been combined for hearing.
The Directorate of Enforcement (ED) while investigating the matter under the Prevention of Money Laundering Act, 2002 (PMLA) had directed the erstwhile Satyam not to return the alleged advances until further instructions. Subsequently, ED had attached Fixed Deposits for an aggregate value of Rs.8,220 Million alleged to be the proceeds of crime. The Hon'ble High Court of Judicature at Hyderabad granted stay on December 11, 2012 and set aside the Provisional attachment order on December 31, 2018. Subsequently, ED filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India against the above order of the Hon'ble High Court of Telangana.
In view of the aforesaid and based on an independent legal opinion, the Management believes that the claim by the 37 companies for repayment of the alleged advances, including interest thereon is not legally tenable. Consequently, pending the final outcome of the proceedings, as a matter of prudence, the Company has accounted and disclosed the amount of Rs. 12,304 Million as 'Suspense Account (net)'.
5 The Company, pursuant to a share purchase agreement acquired 51% stake in Cerium Systems Private Limited ("Cerium") on April 9, 2020 for a total consideration of Rs. 1,454 Million, out of which Rs. 916 Million was paid upfront. Further, the Company has entered into an agreement to purchase the balance 49% stake over a period of three years, ending March 31, 2023. During the period ended December 31, 2020, the Company has acquired 6% stake at Rs. 164 Million. Further, the Company has made earnout payment for first tranche amounting to Rs. 412 Million. As at December 31, 2020, contractual obligation towards the acquisition amounts to Rs. 1,420 Million.
6 The Company, pursuant to the share purchase agreement acquired 100% stake in Zen3 Infosolutions Private Limited on April 9, 2020 for a consideration of Rs. 141 Million. Further, the Company through its wholly owned subsidiary Tech Mahindra (Americas) Inc., acquired 100% stake in Zen3 Infosolutions (America) Inc. on April 9, 2020.
7 Tax expense for the nine months period ended December 31, 2020 is net of provision of Rs. Nil of earlier periods, no longer required, written back. (Quarter ended "QE" December 31, 2020: Rs. Nil) (QE September 30, 2020: Rs. Nil) (Quarter ended "QE" December 31, 2019: Rs. Nil) (Nine months period ended December 31, 2019: Rs. 1,829 Million). Tax expense for the year ended March 31, 2020 is net of excess provision of Rs. 2,451 Million of earlier periods, no longer required, written back.
8 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post – employment benefits has received the Presidential assent in September 2020. The Ministry of Labour and Employment had released draft rules for the Code on November 13, 2020, and had invited suggestions from stakeholders which are under active consideration by the Ministry. However, the effective date from which the changes are applicable is yet to be notified. The Company will evaluate and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.
9 Previous period's figures have been regrouped wherever necessary.
10 **Emphasis of Matter**
The Emphasis of Matter in the Auditors' Report pertains to the following:
With relation to Note 4 in respect of certain matters relating to erstwhile Satyam Computer Services Limited (erstwhile Satyam), amalgamated with the Company with effect from April 1, 2011 which is discussed below:
The Company's management, on the basis of current legal status and external legal opinion, has concluded that claims made by 37 companies in the City Civil Court for alleged advances amounting to Rs. 12,304 Million made by these companies to erstwhile Satyam and presented separately under 'Suspense account (net)', will not sustain on ultimate resolution by the Court.
11 **Management response to Emphasis of Matter:**
With regard to the Emphasis of Matter stated in Note 10 above, there are no additional developments on Emphasis of Matter mentioned in Note 4 above which require adjustments to the standalone audited interim financial results.
12 The Financial Results have been made available to the Stock Exchanges where the Company's securities are listed and are posted on the Company's website at the web-link: <https://www.techmahindra.com/en-in/investors/>.

Date : January 29, 2021

Place : Mumbai

C. P. Gurnani

Managing Director & CEO

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF TECH MAHINDRA LIMITED

Report on the audit of the Standalone Interim Financial Results

Opinion

We have audited the accompanying standalone interim financial results of Tech Mahindra Limited (“the Company”) for the quarter ended 31 December 2020 and the year to date results for the period from 1 April 2020 to 31 December 2020 (‘standalone interim financial results’), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone interim financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended 31 December 2020 as well as the year to date results for the period from 1 April 2020 to 31 December 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those SAs are further described in the *Auditor’s Responsibilities for the Audit of the Standalone Interim Financial Results* 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 standalone interim financial results 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 standalone interim financial results.

Tech Mahindra Limited
Independent Auditors' Report – 31 December 2020 (continued)

Emphasis of Matter

We draw attention to Note 4 of the standalone interim financial results in respect of certain matters relating to erstwhile Satyam Computer Services Limited (“erstwhile Satyam”), amalgamated with the Company with effect from 1 April 2011. The Company’s management, on the basis of current legal status and external legal opinion, has concluded that claims made by 37 companies in the City Civil Court for alleged advances amounting to Rs. 12,304 million, to erstwhile Satyam and presented separately under “Suspense account (net)”, will not sustain on ultimate resolution by the Court as explained in the aforesaid note.

Our opinion is not modified in respect of this matter.

Responsibility of the Management and Those Charged with Governance for the Standalone Interim Financial Results

These standalone interim financial results have been prepared on the basis of the condensed standalone interim financial statements. The Company’s Management and the Board of Directors are responsible for the preparation of these standalone interim financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, ‘Interim Financial Reporting’ prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone interim financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone interim financial results, the Management and the 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 Management and Board of Directors either intend to liquidate the Company or to cease operations, or have 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 Standalone Interim Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone interim financial results 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 standalone interim financial results.

Tech Mahindra Limited
Independent Auditors' Report – 31 December 2020 (continued)

Auditor's Responsibilities for the Audit of the Standalone Interim Financial Results (continued)

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 standalone interim financial results, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone interim financial results 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 standalone interim financial results, including the disclosures, and whether the standalone interim financial results 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.

B S R & Co. LLP

Tech Mahindra Limited
Independent Auditors' Report – 31 December 2020 (*continued*)

Auditor's Responsibilities for the Audit of the Standalone Interim Financial Results (*continued*)

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.

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

JAMIL
AHMED
KHATRI

Digitally signed by
JAMIL AHMED
KHATRI
Date: 2021.01.29
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Jamil Khatri
Partner

Membership Number: 102527
UDIN: 21102527AAAAAB5418

Place: Mumbai
Date: 29 January 2021

Tech Mahindra Revenues up 3.4% EBITDA margins up 1.4% to 19.6%

Mumbai – January 29th, 2021: [Tech Mahindra](#) Ltd., a specialist in digital transformation, consulting and business reengineering services today announced the audited consolidated financial results for its third quarter ended December 31, 2020.

Financial highlights for the quarter (₹)

- Revenue at ₹ 9,647 crores; up 2.9% QoQ, flat YoY
- EBITDA at ₹ 1,896 crores; up 11.3% QoQ;
 - Margins at 19.6%; up 140bps QoQ
- Profit after tax (PAT) at ₹ 1,310 crores; up 23.0% QoQ
- Earnings per share (EPS) was at ₹ 14.9

Financial highlights for the quarter (USD)

- Revenue at USD 1,308.7 mn; up 3.4% QoQ, down 3.3% YoY
 - Revenue growth at 2.8% QoQ in constant currency terms
- EBITDA at USD 257.2 mn; up 11.8% QoQ
- Consolidated PAT at USD 177.7 mn, up 23.7% QoQ;
- Free cash flow at \$ 226 mn, conversion to PAT at 127.2%

Other Highlights

- Total headcount at 121,901, down 2357 QoQ
- Cash and Cash Equivalent at USD 1,625 mn as of Dec 31, 2020



CP Gurnani, Managing Director & Chief Executive Officer, Tech Mahindra, said,

The technology modernization cycle continues to gather pace and our positioning of creating Experiences through Nxt.Now has seen us gain significant traction in the market place. We believe that the Future is Now and we are continuously innovating to address this shift in spending.

Manoj Bhat, Chief Financial Officer, Tech Mahindra, said,

Our focus on operational excellence has again yielded results as we structurally change our delivery model. We are seeing consistent improvement in our operating metrics and we are confident of continuing on this transformation journey in the coming quarters.



Key Wins

- Tech Mahindra has been chosen as a strategic partner by a leading Communication Service Provider in UK for implementing Software Defined Network enabled 5G Transport Network.
- Won a deal with a European engineering company to transform the core infrastructure operations to enhance customer experience and enable faster time-to-market.
- Tech Mahindra has been selected by an American healthcare company for digital transformation of their entire application stack.
- Engaged by an Indian aerospace company for ERP transformation.
- Won a multi-pillar transformation deal from one of the world's leading reinsurer for setting up a new operating model for one of their business.
- Tech Mahindra won a deal with a major Telco in the Netherlands to help implement and integrate their Cloud ERP for multiple modules to enable simplification of their overall process life cycle.
- Selected by an American oil field services player for end to end transformation including application modernization, cloud migration and enhanced customer experience.
- Tech Mahindra has won a deal with a Canadian jet manufacturer for engineering services and design.
- Tech Mahindra has been chosen as a global strategic partner by a UK based leading global mining company for application modernization, consulting, data analytics and customer experience across multiple locations.

- One of the Australia's leading electricity transmission company has selected Tech Mahindra to implement Cloud ERP across its business domains.

Business Highlights

- Tech Mahindra has partnered with Fanisko, a unique one-stop fan engagement platform to revolutionize match viewing experience for sport fans by enhancing fan engagement and presenting innovative business models of monetization for sports organisations globally by leveraging new-age technologies.
- Tech Mahindra and SAP SE have extended their partnership to provide on-premise and cloud-based end-to-end solutions built on SAP® Business Technology Platform to customers globally.
- Tech Mahindra has launched WORKSPACE NXT (Workplace as a Service), the latest version of its next-generation integrated digital workplace solution for enterprises globally.
- Tech Mahindra and Subex, an industry leader in providing services based on Digital Trust, have announced strategic partnership to drive scale adoption of blockchain-based solutions for telecom operators globally.
- Tech Mahindra has expanded its strategic alliance with BMC Software, a global leader in IT solutions for the Autonomous Digital Enterprise, to enable digital transformation for global enterprises.

Awards and Recognitions

- Tech Mahindra has been recognized amongst the 'Top 25 Brands in Indian ICT Industry' for the year 2020 by VARINDIA Brandbook on ICT industry.
- Tech Mahindra Business Process Arm has been recognized as a 'Leader' in Nelson Hall 2020 NEAT Evaluation for its customer experience in Telecom and Media Industry.
- Tech Mahindra has been recognized as a winner of 'People Innovation Category award' winner at ET Innovation Summit for its solution K2.
- Tech Mahindra has been featured amongst the only three Indian companies in the global Bloomberg 2020 Gender-Equality Index (GEI).
- Tech Mahindra's CSR arm, Tech Mahindra foundation has bagged CSR Times Award 2020 Gold Category for COVID Relief Program.
- Tech Mahindra has been ranked among top 25 companies in India's 100 'Best companies to work for 2020'.
- Tech Mahindra has been recognized as Global Leader on Climate Change and Water Security.

- Scored 'double A' in CDP Climate and CDP Water 2020, and
 - One of only 4 Indian companies on CDP's prestigious 'A List' 2020 for environmental transparency and action.
- Tech Mahindra has re-emerged as a Leader in the Dow Jones Sustainability World Index 2020 for Sixth Consecutive Year
 - It is one amongst the three Indian companies to be included in the DJSI World Index, and
 - One of the eleven companies from India in the Emerging markets category.

About Tech Mahindra

Tech Mahindra offers innovative and customer-centric digital experiences, enabling enterprises, associates and the society to Rise™. We are a USD 5.2 billion organization with 121,900+ professionals across 90 countries helping 997 global customers, including Fortune 500 companies. We are focused on leveraging next-generation technologies including 5G, Blockchain, Cybersecurity, Artificial Intelligence, and more, to enable end to end digital transformation for global customers. Tech Mahindra is one of the fastest growing brands and amongst the top 15 IT service providers globally. Tech Mahindra has consistently emerged as a leader in sustainability and is recognized amongst the '2021 Global 100 Most sustainable corporations in the World' by Corporate Knights. With the NXT.NOW framework, Tech Mahindra aims to enhance 'Human Centric Experience' for our ecosystem and drive collaborative disruption with synergies arising from a robust portfolio of companies. We aim at delivering tomorrow's experiences today, and believe that the 'Future is Now'.

We are part of the Mahindra Group, a USD 19.4 billion federation of companies that enables people to rise through innovative mobility solutions, driving rural prosperity, enhancing urban living, nurturing new businesses and fostering communities. It enjoys a leadership position in utility vehicles, information technology, financial services and vacation ownership in India and is the world's largest tractor company by volume. It also enjoys a strong presence in renewable energy, agribusiness, logistics and real estate development. Headquartered in India, Mahindra employs over 2,56,000 people across 100 countries.

Connect with us on www.techmahindra.com

Our Social Media Channels



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Disclaimer

Certain statements in this release concerning the future prospects of Tech Mahindra Limited ("the Company" or "TechM") are forward-looking statements. These statements by their nature involve risks and uncertainties that could cause Company's actual results differ materially from such forward-looking statements. The Company, from time to time, makes written and oral forward-looking statements based on information available with the management of the Company and the Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

Audited consolidated financial for the quarter ended Dec 31, 2020 drawn under Ind AS

| P&L in INR Mn | Q3 FY21 | Q2 FY21 | Q3 FY20 |
|---|---------------|---------------|---------------|
| Revenue | 96,471 | 93,718 | 96,546 |
| Cost of Services | 64,708 | 64,245 | 67,312 |
| Gross Profit | 31,763 | 29,473 | 29,234 |
| SG&A | 12,808 | 12,443 | 13,601 |
| EBITDA | 18,955 | 17,030 | 15,633 |
| Other Income | 2,209 | 1,175 | 3,496 |
| Interest Expense | 421 | 399 | 550 |
| Depreciation & Amortization | 3,584 | 3,717 | 3,848 |
| Share of profit / (loss) from associate | 5 | 4 | 5 |
| Profit before Tax | 17,164 | 14,093 | 14,736 |
| Provision for taxes | 4,263 | 3,462 | 3,629 |
| Minority Interest | 197 | 15 | 352 |
| Profit after Tax | 13,098 | 10,646 | 11,459 |
| EPS (₹ / share) | | | |
| Basic | 14.98 | 12.18 | 13.13 |
| Diluted | 14.87 | 12.11 | 13.03 |

Q3 FY21 KEY HIGHLIGHTS

USD 1,309 Mn
Revenue

15.9%
EBIT Margin

USD 455 Mn
Net New Deal Wins

USD 226 Mn
Free Cash Flow

| Revenue Growth (USD) | QoQ | | YoY | |
|----------------------|-------------|-------------|--------------|--------------|
| | Reported | CC | Reported | CC |
| Communications | 4.4% | 3.6% | -9.7% | -11.3% |
| Enterprise | 2.8% | 2.3% | 1.5% | 0.5% |
| Total Revenue | 3.4% | 2.8% | -3.3% | -4.6% |

| Revenue by Industry % | Q3 FY21 | Q2 FY21 | Q3 FY20 | QoQ | YoY |
|--|---------|---------|---------|-------|--------|
| Communications | 39.7% | 39.3% | 42.6% | 4.4% | -9.7% |
| Manufacturing | 16.3% | 16.1% | 17.3% | 4.2% | -9.0% |
| Technology,Media & Entertainment | 9.4% | 9.8% | 7.6% | -0.6% | 19.5% |
| Banking,Financial services & Insurance | 16.0% | 16.4% | 13.2% | 0.4% | 17.3% |
| Retail, Transport & Logistics | 7.9% | 7.5% | 7.2% | 8.4% | 6.0% |
| Others | 10.8% | 10.9% | 12.2% | 3.4% | -14.5% |

| Revenue by Geography % | Q3 FY21 | Q2 FY21 | Q3 FY20 | QoQ | YoY |
|------------------------|---------|---------|---------|------|-------|
| Americas | 46.8% | 48.4% | 48.4% | 0.1% | -6.4% |
| Europe | 26.4% | 25.2% | 27.0% | 8.5% | -5.4% |
| Rest of world | 26.8% | 26.4% | 24.6% | 4.6% | 5.3% |

| IT On/Off Revenue Break-up in % | Q3 FY21 | Q2 FY21 | Q3 FY20 |
|---------------------------------|---------|---------|---------|
| Onsite | 63% | 63% | 65% |
| Offshore | 37% | 37% | 35% |



| Net New Deal Wins (USD Mn) | Q3 FY21 | Q2 FY21 | Q3 FY20 |
|----------------------------|------------|------------|--------------|
| Communications | 104 | 208 | 150 |
| Enterprise | 352 | 214 | 1,081 |
| Total | 455 | 421 | 1,231 |

| No. of Active Clients & % of Repeat Business | Q3 FY21 | Q2 FY21 | Q3 FY20 |
|--|---------|---------|---------|
| No. of Active Clients | 997 | 988 | 964 |
| % of Repeat Business | 94% | 95% | 91% |

| No. of Million \$ Clients | Q3 FY21 | Q2 FY21 | Q3 FY20 |
|---------------------------|---------|---------|---------|
| ≥ \$1 million clients | 454 | 460 | 446 |
| ≥ \$5 million clients | 162 | 165 | 164 |
| ≥ \$10 million clients | 83 | 82 | 83 |
| ≥ \$20 million clients | 50 | 50 | 50 |
| ≥ \$50 million clients | 21 | 21 | 22 |

| Client Concentration | Q3 FY21 | Q2 FY21 | Q3 FY20 | QoQ | YoY |
|----------------------|---------|---------|---------|------|-------|
| Top 5 | 22% | 22% | 22% | 5.0% | -5.5% |
| Top 10 | 31% | 30% | 31% | 4.1% | -4.7% |
| Top 20 | 42% | 43% | 42% | 2.7% | -2.5% |

| Total Headcount (As at period-end) | Q3 FY21 | Q2 FY21 | Q3 FY20 | QoQ | YoY |
|------------------------------------|----------------|----------------|----------------|--------------|--------------|
| Software professionals | 68,734 | 69,512 | 73,079 | -1.1% | -5.9% |
| BPO professionals | 46,832 | 48,462 | 50,886 | -3.4% | -8.0% |
| Sales & support | 6,335 | 6,284 | 6,874 | 0.8% | -7.8% |
| Total Headcount | 121,901 | 124,258 | 130,839 | -1.9% | -6.8% |

| Attrition & Utilization | Q3 FY21 | Q2 FY21 | Q3 FY20 |
|---|---------|---------|---------|
| IT Attrition % (LTM) # | 12% | 14% | 20% |
| IT Utilization % # | 87% | 85% | 84% |
| IT Utilization % (Excluding Trainees) # | 87% | 85% | 85% |

Metrics for Organic business

2



| Cash Flow | Q3 FY21 | Q2 FY21 | Q3 FY20 |
|--|---------|---------|---------|
| Receivable Days (DSO)-Including Unbilled | 95 | 97 | 112 |
| Capital Expenditure (USD Mn) | 16 | 34 | 32 |
| Free Cash Flow (USD Mn) | 226 | 236 | 190 |
| Free Cash Flow to PAT % | 127.2% | 164.0% | 118.0% |

^Free cash Flow is as per Management Reporting

| Cash & Borrowings (INR Mn) | Q3 FY21 | Q2 FY21 | Q3 FY20 |
|----------------------------|---------|---------|---------|
| Borrowings ** | 19,162 | 16,984 | 20,619 |
| Cash and Cash Equivalent * | 118,775 | 115,380 | 82,369 |

| Cash & Borrowings (USD Mn) | Q3 FY21 | Q2 FY21 | Q3 FY20 |
|----------------------------|---------|---------|---------|
| Borrowings ** | 262 | 230 | 289 |
| Cash and Cash Equivalent * | 1,625 | 1,564 | 1,154 |

** Cash & Cash Equivalent includes Investments & Margin Money*

*** Borrowings exclude lease obligation on right-of-use (ROU) assets, created as per Ind AS 116 new accounting standard on leases*

| USD Rupee Rate | Q3 FY21 | Q2 FY21 | Q3 FY20 | QoQ | YoY |
|---------------------|---------|---------|---------|-------|------|
| Period closing rate | 73.07 | 73.77 | 71.38 | -0.9% | 2.4% |
| Period average Rate | 73.74 | 74.07 | 71.35 | -0.4% | 3.4% |

| % of Revenues From Major Currencies | Q3 FY21 | Q2 FY21 | Q3 FY20 |
|-------------------------------------|---------|---------|---------|
| USD | 50.9% | 51.5% | 50.0% |
| GBP | 11.4% | 10.5% | 11.8% |
| EUR | 9.4% | 9.0% | 9.4% |
| AUD | 4.2% | 4.8% | 4.5% |
| Others | 24.1% | 24.2% | 24.3% |

| Hedge Book | Q3 FY21 | Q2 FY21 | Q3 FY20 |
|-------------------|---------|---------|---------|
| GBP In Mn | 266.0 | 278.0 | 313.0 |
| Strike rate (INR) | 101.8 | 100.6 | 99.1 |
| USD In Mn | 1,444.0 | 1,635.0 | 1,071.0 |
| Strike rate (INR) | 78.8 | 78.1 | 75.0 |
| EUR In Mn | 325.0 | 340.0 | 392.0 |
| Strike rate (INR) | 91.9 | 90.5 | 88.7 |



| P&L in INR Mn | Q3 FY21 | Q2 FY21 | Q3 FY20 | QoQ | YoY |
|---|---------|---------|---------|-------|--------|
| Revenue From Operations | 96,471 | 93,718 | 96,546 | 2.9% | -0.1% |
| Cost of services | 64,708 | 64,245 | 67,312 | 0.7% | -3.9% |
| Gross Profit | 31,763 | 29,473 | 29,234 | 7.8% | 8.6% |
| SGA | 12,808 | 12,443 | 13,601 | 2.9% | -5.8% |
| EBIDTA | 18,955 | 17,030 | 15,633 | 11.3% | 21.3% |
| EBIDTA % | 19.6% | 18.2% | 16.2% | 1.4% | 3.4% |
| Depreciation & Amortization | 3,584 | 3,717 | 3,848 | -3.6% | -6.9% |
| EBIT | 15,371 | 13,313 | 11,785 | 15.5% | 30.4% |
| EBIT % | 15.9% | 14.2% | 12.2% | 1.7% | 3.7% |
| Other income | 2,209 | 1,175 | 3,496 | 88.0% | -36.8% |
| Foreign Exchange (loss)/ gain | 1,102 | (356) | 1,435 | | |
| Interest, Dividend & Misc. income | 1,107 | 1,531 | 2,061 | | |
| Interest expense | 421 | 399 | 550 | 5.5% | -23.5% |
| Share of profit /(loss) from associate | 5 | 4 | 5 | | |
| Profit Before Tax | 17,164 | 14,093 | 14,736 | 21.8% | 16.5% |
| Provision for taxes | 4,263 | 3,462 | 3,629 | 23.1% | 17.5% |
| Profit After Tax | 12,901 | 10,631 | 11,107 | 21.4% | 16.2% |
| Minority Interest | 197 | 15 | 352 | | |
| Net Profit after tax (After Minority Interest) | 13,098 | 10,646 | 11,459 | 23.0% | 14.3% |
| Net PAT % | 13.6% | 11.4% | 11.9% | 2.2% | 1.7% |
| EPS (In Rs) | | | | | |
| Basic | 14.98 | 12.18 | 13.13 | 23.0% | 14.1% |
| Diluted | 14.87 | 12.11 | 13.03 | 22.8% | 14.1% |

Notes:

1. Figures rounded off to the nearest million.
2. Previous period figures have been regrouped/rearranged wherever necessary.



| P&L in USD Mn | Q3 FY21 | Q2 FY21 | Q3 FY20 | QoQ | YoY |
|---|--------------|--------------|--------------|--------------|---------------|
| Revenue From Operations | 1,308.7 | 1,265.4 | 1,353.0 | 3.4% | -3.3% |
| Cost of services | 877.7 | 867.3 | 943.5 | 1.2% | -7.0% |
| Gross Profit | 430.9 | 398.1 | 409.5 | 8.3% | 5.2% |
| SGA | 173.8 | 168.1 | 190.5 | 3.4% | -8.8% |
| EBIDTA | 257.2 | 230.0 | 219.0 | 11.8% | 17.4% |
| EBIDTA % | 19.6% | 18.2% | 16.2% | 1.4% | 3.4% |
| Depreciation & Amortization | 48.6 | 50.2 | 53.9 | -3.2% | -9.9% |
| EBIT | 208.6 | 179.8 | 165.0 | 16.0% | 26.4% |
| EBIT % | 15.9% | 14.2% | 12.2% | 1.7% | 3.7% |
| Other income | 29.9 | 15.7 | 49.1 | 90.9% | -39.1% |
| Foreign Exchange (loss)/ gain | 14.9 | (5.0) | 20.1 | | |
| Interest, Dividend & Misc. income | 15.0 | 20.6 | 29.0 | | |
| Interest expense | 5.7 | 5.4 | 7.7 | 6.0% | -25.9% |
| Share of profit /(loss) from associate | 0.1 | 0.1 | 0.1 | | |
| Profit Before Tax | 232.8 | 190.1 | 206.5 | 22.4% | 12.7% |
| Provision for taxes | 57.8 | 46.7 | 50.9 | 23.8% | 13.7% |
| Profit After Tax | 175.0 | 143.4 | 155.6 | 22.0% | 12.4% |
| Minority Interest | 2.7 | 0.2 | 4.9 | | |
| Net Profit after tax (After Minority Interest) | 177.7 | 143.7 | 160.6 | 23.7% | 10.6% |
| Net PAT % | 13.6% | 11.4% | 11.9% | 2.2% | 1.7% |
| EPS (In USD) | | | | | |
| Basic | 0.20 | 0.16 | 0.18 | 23.5% | 10.4% |
| Diluted | 0.20 | 0.16 | 0.18 | 23.3% | 10.4% |

Notes:

1. Figures rounded off to the nearest million.
2. Previous period figures have been regrouped/rearranged wherever necessary.
3. USD numbers based on convenience translation



Profit after tax for the quarter at Rs. 13,098 Million up 23% over previous quarter**Tech Mahindra Limited**

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

Extract of Audited Consolidated Financial Results of Tech Mahindra Limited for the quarter and nine months period ended December 31, 2020.

Rs. in Million except Earnings per share

| Particulars | Quarter ended December 31, 2020 | Nine months period ended December 31, 2020 | Quarter ended December 31, 2019 |
|---|------------------------------------|--|------------------------------------|
| 1 Total Revenue from Operations (Net) | 96,471 | 281,252 | 96,546 |
| 2 Net Profit before Tax | 17,164 | 44,089 | 14,736 |
| 3 Net Profit for the period after Tax (Share of the Owners of the Company) | 13,098 | 33,467 | 11,459 |
| 4 Total Comprehensive Income for the Period (comprising Profit for the period after Tax and Other Comprehensive Income after Tax) | 12,385 | 35,702 | 10,756 |
| 5 Equity Share Capital | 4,366 | 4,366 | 4,356 |
| 6 Total Reserves | 232,447 | 232,447 | 215,808 |
| 7 Earnings Per Equity Share (Rs.) | | | |
| - Basic | 14.98 | 38.29 | 13.13 |
| - Diluted | 14.87 | 37.99 | 13.03 |

Additional information on standalone financial results is as follows:


Rs.in Million

| Particulars | Quarter ended December 31, 2020 | Nine months period ended December 31, 2020 | Quarter ended December 31, 2019 |
|-------------------------|------------------------------------|--|------------------------------------|
| Revenue from Operations | 75,650 | 221,341 | 77,001 |
| Profit before Tax | 16,398 | 39,993 | 12,490 |
| Profit after Tax | 12,556 | 30,713 | 9,227 |

Notes :

- The above is an extract of the detailed format of the Standalone and Consolidated Interim Financial Results for the quarter and nine months period ended December 31, 2020, filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Standalone and Consolidated Interim Financial Results for the quarter and nine months period ended December 31, 2020 are available on the Stock Exchange websites. (www.nseindia.com/www.bseindia.com) and the Company's website at the web-link: <https://www.techmahindra.com/en-in/investors/>
- The quarterly and nine months period ended results have been reviewed by the Audit Committee and have been approved and taken on record by the Board of Directors in its meeting held on January 29, 2021.
- The Board of Directors at its meeting held on October 23, 2020, had declared a special dividend of Rs.15 per equity share on face value of Rs. 5/- (300%) which was subsequently paid during the quarter ended December 31, 2020. The amount was recognised as distribution to equity shareholders.
- The Company, pursuant to a share purchase agreement acquired 100% stake in Tenzing Limited and Tenzing Australia Limited (together known as Tenzing Group) through its wholly owned subsidiary Tech Mahindra Singapore Pte. Limited on December 1, 2020 for a consideration of NZD 39.57 Million (Rs. 2,083 Million) out of which NZD 30.05 Million (Rs. 1,581 Million) was paid upfront. The Company has performed preliminary purchase price allocation. As at December 31, 2020, contractual obligation towards the said acquisition amounts to NZD 9.52 million (Rs. 502 Million).
- The Auditors have issued an unqualified opinion on the Standalone and Consolidated Interim Financial Results and have invited attention to certain matters (Emphasis of Matters). The Emphasis of Matters are on account of the financial irregularities committed by the promoters of erstwhile Satyam Computer Services Limited (SCSL) before it was acquired by the Company and certain other related matters. SCSL was amalgamated with the Company in June 2013. The Emphasis of Matters and the Management Response on the same are available as part of the detailed Regulation 33 formats posted on the Stock Exchange websites (www.nseindia.com/www.bseindia.com) and the Company's website (www.techmahindra.com).

Date : January 29, 2021
Place : Mumbai


C. P. Gurnani
Managing Director & CEO