

27th July, 2020

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 July 27, 2020

Dear Sir(s)

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 approved the Audited financial results and consolidated financial results of the Company for the first quarter ended June 30, 2020, together with Auditors Report thereon.

In this regard, please find enclosed:

1. Audited financial results and consolidated financial results of the Company for the first quarter ended June 30, 2020, together with Auditors Report thereon.
2. Press Release on the financial results.
3. Fact Sheet giving certain financial and operational parameters which will be put up on the Company website.

This is for your information and record.

Thanking you,

For Tech Mahindra Limited


Anil Khatri
Company Secretary
MK2



Encl.: as above

**Profit after tax for the quarter at Rs. 9,723 Million, up 21% 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 ended June 30, 2020

#	Particulars	Rs. in Million except Earnings per share			
		Quarter ended		Year ended	
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
1	Revenue from Operations	91,063	94,902	86,530	368,677
2	Other Income	4,161	2,852	3,413	11,924
3	Total Income (1 + 2)	95,224	97,754	89,943	380,601
4	EXPENSES				
	Employee Benefits Expense	48,051	48,129	45,009	188,100
	Subcontracting Expenses	13,161	12,758	12,197	54,408
	Finance Costs	503	532	454	1,919
	Depreciation and Amortisation Expense	3,832	3,982	3,213	14,458
	Other Expenses	16,846	20,537	16,183	68,908
	Impairment of Goodwill and non current assets	-	2,175	-	2,175
	Total Expenses	82,393	88,113	77,056	329,968
5	Profit before share in profit/(loss) of associates and tax (3-4)	12,831	9,641	12,887	50,633
6	Share of Profit / (Loss) of Associates	1	15	(78)	(55)
7	Profit before Tax (5 + 6)	12,832	9,656	12,809	50,578
8	Tax Expense				
	Current Tax	4,103	2,943	3,634	12,378
	Deferred Tax	(827)	(551)	(316)	(774)
	Total Tax Expense	3,276	2,392	3,318	11,604
9	Profit after tax (7 - 8)	9,556	7,264	9,491	38,974
	Profit for the period attributable to:				
	Owners of the Company	9,723	8,039	9,593	40,330
	Non Controlling Interests	(167)	(775)	(102)	(1,356)
10	Other Comprehensive Income / (losses)				
	A. Items that will not be reclassified to Profit or Loss (net of taxes)	31	(62)	(78)	(150)
	B. Items that will be reclassified to Profit or Loss (net of taxes)	372	(610)	(336)	(907)
	Total Other Comprehensive Income (A+B)	403	(672)	(414)	(1,057)
11	Total Comprehensive Income (9 + 10)	9,959	6,592	9,077	37,917
	Total Comprehensive Income for the period attributable to:				
	Owners of the Company	10,176	7,308	9,161	39,156
	Non Controlling Interests	(217)	(716)	(84)	(1,239)
12	Paid-up Equity Share Capital (Face Value of Share Rs. 5)	4,360	4,359	4,350	4,359
13	Total Reserves				213,772
14	Earnings Per Equity Share (Rs) <i>(EPS for the quarter periods ended are not annualised)</i>				
	Basic	11.13	9.21	10.98	46.21
	Diluted	11.07	9.14	10.89	45.85
Standalone Information					
	Particulars	Quarter ended			
		Quarter ended		Year ended	
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
	Revenue from Operations	71,647	75,719	68,624	292,254
	Profit before Tax	11,019	15,175	10,795	53,322
	Profit after Tax	8,542	13,918	8,227	45,345



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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		Year ended	
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
Segment Revenue				
a) IT	83,667	86,681	78,572	334,564
b) BPO	7,396	8,221	7,958	34,113
Total Sales / Income from operations	91,063	94,902	86,530	368,677
Segment Profit before tax, interest and depreciation				
a) IT	12,504	12,255	12,012	52,303
b) BPO	501	1,223	1,129	4,958
Total	13,005	13,478	13,141	57,261
Less:				
(i) Finance costs	503	532	454	1,919
(ii) Other un-allocable expenditure, net off un-allocable income	(329)	3,305	(200)	4,709
Add:				
Share of Profit / (Loss) of Associates	1	15	(78)	(55)
Profit before tax	12,832	9,656	12,809	50,578

Statement of Segment Assets and Liabilities	June 30, 2020	June 30, 2019	March 31, 2020
Segment Assets			
Trade and Other Receivables			
IT	100,633	97,005	106,941
BPO	8,085	8,795	9,665
Total Trade Receivables	108,718	105,800	116,606
Goodwill			
IT	32,517	24,394	30,132
BPO	3,745	3,745	3,745
Total Goodwill	36,262	28,139	33,877
Unallocable Assets	238,202	202,585	223,052
TOTAL ASSETS	383,182	336,524	373,535
Segment Liabilities			
Unearned Revenue			
IT	2,861	2,280	2,466
BPO	54	2	25
Total Unearned Revenue	2,915	2,282	2,491
Advance from Customers			
IT	4,477	3,263	3,026
BPO	956	702	976
Total Advance from Customers	5,433	3,965	4,002
Unallocable Liabilities	143,245	113,657	144,978
TOTAL LIABILITIES	151,593	119,904	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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Notes :

- 1 The quarterly financial results have been reviewed by the Audit Committee and have been approved and taken on record by the Board of Directors in its meeting held on July 27, 2020.
- 2 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.
- 3 **Certain matters relating to erstwhile Satyam Computer Services Limited (erstwhile Satyam):**
Proceedings in relation to 'Alleged Advances':
 Erstwhile Satyam had, in the past, received letters from 37 companies seeking confirmation by way of acknowledgement of receipt of certain alleged amounts by the erstwhile Satyam (referred to as 'alleged advances'). These letters were followed with legal notices claiming repayment 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 these 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)'.
- 4 **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 sub-judice, sales commission for subsequent periods has been disclosed as a contingent liability amounting to Rs. 2,249 Million as on June 30, 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 ended June 30, 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.
- 5 The Company, pursuant to a share purchase agreement acquired 51% stake in Cerium Systems Private Limited ("Cerium") on April 9, 2020 for a consideration of Rs. 1,453 Million, out of which Rs. 904 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.
 As at June 30, 2020, contractual obligation towards the acquisition amounts to Rs. 1,801 Million. The initial accounting for the business combination has been determined provisionally.
- 6 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. on April 9, 2020 for a consideration of USD 38.43 Million (Rs. 2,906 Million) out of which USD 34.57 Million (Rs. 2,614 million) was paid upfront. The agreement also provides for contingent consideration linked to financial performance of financial year ending 2021 to 2023.
 As at June 30, 2020, contractual obligation towards the acquisition amounts to USD 8.7 Million (Rs. 658 Million). The initial accounting for the business combination has been determined provisionally.
- 7 Tax expense for the Quarter Ended ("QE") June 30, 2020 is net of excess provision of Rs.Nil of earlier periods, no longer required, written back (QE March 31, 2020: Rs. 622 Million ; QE June 30, 2019: Rs. 49 Million).
 Tax expense for the year ended March 31, 2020 is net of excess provision of Rs. 2,755 Million of earlier periods, no longer required, written back.
- 8 Previous period's figures have been regrouped wherever necessary.
- 9 **Emphasis of Matters**
The Emphasis of Matters in the Auditor's Report pertains to the following:
 (i) With relation to Note 3 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 4 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 ended June 30, 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.
- 10 **Management response to Emphasis of Matters:**
 With regard to the Emphasis of Matters stated in Note 9 above, there are no additional developments on Emphasis of Matters mentioned in Notes 3 and 4 above which require adjustments to the consolidated audited interim financial results.
- 11 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 : July 27, 2020
 Place : Mumbai

C. P. Gurnani
 Managing Director & CEO



BSR & Co. LLP

Chartered Accountants

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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 (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associates for the quarter ended 30 June 2020 attached herewith, 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 reports of other auditors on separate audited financial statements/financial information of the subsidiaries and associates, the aforesaid consolidated interim financial results:

- a. includes the results of the entities listed in Annexure 1;
- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
- c. give 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 30 June 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 and its associates 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 condensed consolidated interim financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated interim financial results.

BSR & Co (a partnership firm with
Registration No. BA61223) converted into
BSR & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
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B S R & Co. LLP

Tech Mahindra Limited
Independent Auditors' Report – 30 June 2020 (continued)

Emphasis of Matter

- a) We draw attention to Note 3 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.
- b) We draw attention to Note 4 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 ended 30 June 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.

Management’s and Board of Directors’ Responsibilities 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 Holding Company’s management and the 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 in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, ‘Interim Financial Reporting’ prescribed under 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 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.

Tech Mahindra Limited
Independent Auditors' Report – 30 June 2020 (continued)

Management's and Board of Directors' Responsibilities for the Consolidated Interim Financial Results (continued)

In preparing the consolidated interim financial results, the respective management / Board of Directors of the companies included in the Group and of its associates 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 management/Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective management / Board of Directors of the companies included in the Group and of its associates is responsible for overseeing the financial reporting process of each company.

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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated interim financial results made by the management and Board of Directors.

B S R & Co. LLP

Tech Mahindra Limited

Independent Auditors' Report – 30 June 2020 (continued)

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

- 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 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 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 to express an opinion on the consolidated interim financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated interim financial results of which we are the independent auditors. 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 para (a) of the section titled "Other Matters" in this audit report.

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 No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Tech Mahindra Limited
Independent Auditors' Report – 30 June 2020 (continued)

Other Matters

- (a) The consolidated interim financial results include the audited financial results of 57 subsidiaries, whose financial statements/financial information reflect total revenue (before consolidation adjustments) of Rs 26,867 million and total net profit after tax (before consolidation adjustments) of Rs 961 million for quarter ended 30 June 2020 and net cash inflows of Rs 734 million for the quarter ended on that date, as considered in the consolidated interim financial results, which have been audited by their respective independent auditors. These 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 subsidiaries is based solely on the audit reports of the other auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated interim financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial results/financial information certified by the Board of Directors.

- (b) Attention is drawn to the fact that the figures for the 3 months ended 31 March 2020 as reported in the consolidated interim financial results are the balancing figure between the audited figures in respect of the full previous financial year and the published audited year to date figures up to the third quarter of the previous financial year.

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: 2020.07.27
15:40:45 +05'30'
Jamil Khatri
Partner
Membership No: 102527
UDIN: 20102527AAAABD9981

Place: Mumbai
Date: 27 July 2020

Tech Mahindra Limited
Independent Auditors' Report – 30 June 2020 (continued)

Annexure 1: List of entities consolidated as at and for the quarter ended 30 June 2020

i) List of subsidiaries:

1	Tech Mahindra (Americas) Inc.	41	Mahindra Engineering Services (Europe) Limited
2	Tech Talenta Inc.	42	Inter-Informatics, spol. s r.o.
3	Tech Mahindra GmbH	43	Inter-Informatics SRL
4	TechM IT - Services GmbH	44	TC Inter-Informatics a.s.
5	Tech Mahindra Norway AS	45	Comviva Technologies Singapore Pte. Ltd
6	Tech Mahindra (Singapore) Pte Limited	46	Comviva Technologies FZ-LLC
7	Tech Mahindra (Thailand) Limited	47	Comviva Technologies B.V.
8	PT Tech Mahindra Indonesia	48	Comviva Technologies (Australia) Pty Ltd
9	Tech Mahindra ICT Services (Malaysia) SDN. BHD	49	Comviva Technologies Mexico, S de R.L. de C.V
10	Tech Mahindra (Beijing) IT Services Limited	50	Comviva Technologies Madagascar Sarlu
11	Tech Mahindra (Nigeria) Limited	51	Leadcom Uganda Limited
12	Tech Mahindra (Bahrain) Limited. S.P.C.	52	Comviva Technologies (Argentina) S.A
13	Tech Mahindra Business Services Limited	53	ATS Advanced Technology Solutions do Brasil Industria Comercio, Importacao e Exportacao Ltda
14	Tech Mahindra South Africa (Pty) Limited	54	Comviva Technologies Colombia S.A.S
15	Tech Mahindra Holdco Pty Limited	55	Emagine International Pty Ltd
16	Tech Mahindra Japan Co., Ltd	56	YABX Technologies (Netherlands) B.V.
17	Tech Mahindra DRC SARLU	57	Sofgen Holdings Limited
18	NTH Dimension Ltd	58	Tech-Mahindra Ecuador S.A
19	Tech Mahindra Arabia Limited	59	Tech-Mahindra S.A
20	Tech Mahindra Netherlands B.V.	60	Sofgen Ireland Limited (dissolved on 5 May 20)
21	Tech Mahindra Sweden AB	61	Tech Mahindra (Switzerland) SA
22	Tech Mahindra LLC	62	Sofgen Africa Limited
23	Tech Mahindra Chile SpA	63	Leadcom Integrated Solutions Tanzania Ltd.
24	Comviva Technologies Limited	64	Sofgen Services Pte. Ltd.
25	Leadcom DRC SPRL	65	Lightbridge Communications Corporation
26	Comviva Technologies Nigeria Limited	66	Tech-Mahindra Guatemala S.A
27	Tech Mahindra (Shanghai) Co. Ltd	67	Leadcom Integrated Solutions (L.I.S) Ltd.
28	Tech Mahindra (Nanjing) Co. Ltd	68	Leadcom Ghana Limited
29	Tech Mahindra Technologies, Inc.	69	Leadcom Gabon S.A.
30	The Bio Agency Ltd	70	Leadcom Integrated Solutions Rwanda Ltd.
31	Tech Mahindra Vietnam Company Limited	71	Leadcom Integrated Solutions Tchad SARL
32	Citisoft Plc.,	72	Leadcom Integrated Solutions (SPV) SAS
33	Citisoft Inc.,	73	STA Dakar
34	Tech Mahindra Servicios De Informatica Ltda	74	PF Holdings B.V.
35	Tech Mahindra De Mexico S.DE R.L.DE C.V	75	Coniber S.A.
36	Satyam Venture Engineering Services Private Limited	76	Leadcom Integrated Solutions Myanmar Co. Ltd
37	Satyam Venture Engineering Services (Shanghai) Co Limited	77	Societe de Telecommunications Africaine (STA) Abidjan
38	Satven GmbH	78	Pininfarina S.p.A.
39	vCustomer Philippines Inc.,	79	Target Group Limited
40	vCustomer Philippines(Cebu), Inc.,	80	Target Servicing Limited

Annexure 1: List of entities consolidated as at and for the quarter ended 30 June 2020 (continued)

81	Target Financial Systems Limited	117	Tech Mahindra Healthcare LLC
82	Elderbridge Limited	118	The CJS Solutions Group LLC
83	Target Financial Systems Limited	119	HCI Group Australia Pty Ltd
84	Tech Mahindra Network Services International Inc.	120	TML Benefit Trust
85	Tech Mahindra Network Services Belgium	121	Healthcare Clinical Informatics Ltd
86	LCC Telecom GmbH	122	Leadcom Integrated Solutions Kenya Limited
87	LCC Design and Deployment Services Ltd.	123	LCC Central America de Mexico SA de CV
88	LCC Italia s.r.l.	124	LCC France SARL
89	LCC Network Services, B.V.	125	LCC Wireless Communications Espana, SA
90	LCC North Central Europe, B.V.	126	LCC Networks Poland Sp.z.o.o
91	LCC Europe B.V	127	Leadcom Integrated Solutions International B.V.
92	LCC Telekomunikasyon Servis Limited	128	Dynacommerce Holding B.V.
93	LCC United Kingdom Limited	129	Dynacommerce B.V.
94	LCC Deployment Services UK Limited	130	Dynalean B.V.
95	LCC Wireless Communications Services Marox, SARLAU	131	Comviva Technologies Cote D'ivoire
96	LCC Middle East FZ-LLC	132	Mad*Pow Media Solutions, LLC
97	LCC Engineering & Deployment Services Misr, Ltd	133	Objectwise Consulting Group Inc.
98	Tech-Mahindra de Peru S.A.C.	134	Comviva Technologies USA Inc
99	LCC Saudi Telecom Services, Ltd.	135	Born Commerce Private Limited
100	LCC Saudi Arabia Telecom Services Co. Ltd/Jordan WLL	136	Born Group Pte Limited
101	LCC Muscat LLC	137	Group FMG Holdings B.V.
102	Lightbridge Communications Corporations LLC	138	Whitefields Holdings Asia Limited
103	LCC do Brasil Ltda	139	Born Japan Kabhushiki Kaisha
104	Tech-Mahindra Bolivia S.R.L.	140	Born Digital Sdn Bhd
105	Tech-Mahindra Panama, S.A.	141	Born Creative Commerce Group Inc.
106	Tech Mahindra Costa Rica Sociedad Anonima	142	Born London Limited
107	Tech Mahindra Colombia S.A.S	143	Born Group Inc
108	Pininfarina of America Corp.	144	Born Group HK Company Limited
109	Pininfarina Deutschland Holding GmbH	145	Comviva Technologies Myanmar Limited
110	Pininfarina Deutschland GmbH	146	Tech Mahindra Spain S.L.
111	Pininfarina Shanghai Co., Ltd	147	Tech Mahindra France.
112	Pininfarina Engineering S.R.L	148	Comviva Technologies Cote D'ivoire
113	Tech Mahindra Fintech Holdings Limited	149	Harlosh Limited
114	Target TG Investments Limited	150	Mahindra Engineering Services ESOP Trust
115	HCI Group UK Limited	151	Satyam Associates Trust
116	Tech Mahindra Healthcare Systems Holdings LLC	152	Zen3 Infosolutions (America) Inc. (Acquired on 09 April 2020)

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Annexure 1: List of entities consolidated as at and for the quarter ended 30 June 2020 (continued)

153	Zen3 Infosolutions Private Limited (acquired on April 9, 2020)	157	Cerium Systems Private Limited (Acquired on 09 April 2020)
154	Oslo Solutions LLC (Acquired on 09 April 2020)	158	Cerium Systems Inc. (Acquired on 09 April 2020)
155	Zen3 Infosolutions Inc (Acquired on 09 April 2020)	159	Cerium Systems SDN. BHD. (Acquired on 09 April 2020)
156	Zen3 Information Technologies Limited (Acquired on 09 April 2020)	160	Tech Mahindra Luxembourg S.ar.l. (Incorporated on 22 May 2020)

ii) List of Associates:

1	Avion Networks, Inc.	5	Signature S.r.l.
2	SARL Djazatech	6	Vitaran Electronics Private Limited
3	EURL LCC UK Algerie	7	Info Tek Software & Systems Private Limited
4	Goodmind S.r.l.		

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 ended June 30, 2020

Rs. in Million except Earnings per share

	Particulars	Quarter ended			Year ended
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
1	Revenue from Operations	71,647	75,719	68,624	292,254
2	Other Income	2,715	12,577	2,388	23,662
3	Total Income (1 + 2)	74,362	88,296	71,012	315,916
4	EXPENSES				
	Employee Benefit Expenses	22,548	23,336	22,417	92,827
	Subcontracting Expenses	29,615	30,399	26,708	116,074
	Finance Costs	183	269	121	667
	Depreciation and Amortisation Expense	1,686	1,720	1,583	6,674
	Other Expenses	9,311	11,843	9,388	40,798
	Impairment of Non current investments	-	5,554	-	5,554
	Total Expenses	63,343	73,121	60,217	262,594
5	Profit before Tax (3 - 4)	11,019	15,175	10,795	53,322
6	Tax Expense				
	Current Tax	3,252	1,614	2,964	8,813
	Deferred Tax	(775)	(357)	(396)	(836)
	Total Tax Expense	2,477	1,257	2,568	7,977
7	Profit after tax (5 - 6)	8,542	13,918	8,227	45,345
8	Other Comprehensive Income / (losses)				
	A. Items that will not be reclassified to Profit or Loss (net of taxes)	26	(34)	(71)	(98)
	B. Items that will be reclassified to Profit or Loss (net of taxes)	476	(1,672)	215	(3,136)
	Total Other Comprehensive Income (A+B)	502	(1,706)	144	(3,234)
9	Total Comprehensive Income (7 + 8)	9,044	12,212	8,371	42,111
10	Paid-up Equity Share Capital (Face Value of Share Rs. 5)	4,831	4,829	4,822	4,829
11	Total Reserves				217,905
12	Earnings Per Equity Share in Rs.				
	(EPS for the quarter ended periods is not annualised)				
	- Basic	8.83	14.39	8.50	46.89
	- Diluted	8.78	14.29	8.43	46.56



Tech Mahindra Limited

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Email : investor_relations@techmahindra.com. CIN : L64200MH1986PLC041370
Audited Standalone Interim Financial Results for the quarter ended June 30, 2020

Notes :

- 1 The quarterly financial results have been reviewed by the Audit Committee and have been approved and taken on record by the Board of Directors in its meeting held on July 27, 2020.
- 2 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.
- 3 **Certain matters relating to erstwhile Satyam Computer Services Limited (erstwhile Satyam):**
Proceedings in relation to 'Alleged Advances':
Erstwhile Satyam had, in the past, received letters from 37 companies seeking confirmation by way of acknowledgement of receipt of certain alleged amounts by the erstwhile Satyam (referred to as 'alleged advances'). These letters were followed with legal notices claiming repayment 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 Director 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 these 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)'.
4 The Company, pursuant to a share purchase agreement acquired 51% stake in Cerium Systems Private Limited ("Cerium") on April 9, 2020 for a consideration of Rs. 1,453 Million, out of which Rs. 904 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.
As at June 30, 2020, contractual obligation towards the acquisition amounts to Rs. 1,801 Million.
5 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.
6 Tax expense for the Quarter Ended ("QE") June 30, 2020 is net of excess provision of Rs. Nil of earlier periods, no longer required, written back (QE March 31, 2020: Rs.622 Million; QE June 30, 2019: Nil).
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.
7 Previous period's figures have been regrouped wherever necessary.
8 **Emphasis of Matter**
The Emphasis of Matter in the Auditors' Report pertains to the following:
With relation to Note 3 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.
9 **Management response to Emphasis of Matter:**
With regard to the Emphasis of Matter stated in Note 8 above, there are no additional developments on Emphasis of Matter mentioned in Note 3 above which require adjustments to the standalone audited interim financial results.
10 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 : July 27, 2020
Place : Mumbai

C. P. Gurnani
Managing Director & CEO



BSR & Co. LLP

Chartered Accountants

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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 30 June 2020, 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:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. 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 30 June 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.

Emphasis of Matter

We draw attention to Note 3 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.

BSR & Co (a partnership firm with
Registration No. BA61223) converted into
BSR & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
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N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011 India

Independent Auditors' Report – 30 June 2020 (continued)

Tech Mahindra Limited

Management's and Board of Directors' Responsibilities 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 and presentation 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 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 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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 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 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.

Independent Auditors' Report – 30 June 2020 (continued)

Tech Mahindra Limited

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

- 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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.

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.

B S R & Co. LLP

Independent Auditors' Report – 30 June 2020 (continued)

Tech Mahindra Limited

Other Matters

Attention is drawn to the fact that the figures for the 3 months ended 31 March 2020 as reported in these standalone interim financial results are the balancing figures between the audited figures in respect of the full previous financial year and the published audited year to date figures up to the third quarter of the previous financial year.

Our opinion is not modified in respect of this matter.

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: 2020.07.27
15:42:02 +05'30'

Jamil Khatri
Partner

Membership Number: 102527
UDIN: 20102527AAAABC6848

Place: Mumbai
Date: 27 July 2020

Tech Mahindra Q1'21 PAT Up 20.9%

Mumbai - July 27th, 2020: [Tech Mahindra](#) Ltd., a specialist in digital transformation, consulting and business reengineering services today announced the audited consolidated financial results for its first quarter ended June 30, 2020.

Financial highlights for the quarter (₹)

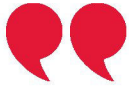
- Revenue at ₹ 9,106 crore; down 4.0% QoQ, up 5.2% YoY
- EBITDA at ₹ 1,301 crore; down 3.5% QoQ;
 - Margins at 14.3%; up 10bps QoQ
- Profit after tax (PAT) at ₹ 972 crore; up 20.9% QoQ
- Earnings per share (EPS) was at ₹ 11.07

Financial highlights for the quarter (USD)

- Revenue at USD 1,207.5 mn; down 6.7% QoQ, down 3.2% YoY
 - Revenue degrowth at 6.3% QoQ and 1.8% YoY in constant currency terms
- EBITDA at USD 172.4 mn; down 5.7% QoQ
- Consolidated PAT at USD 128.8 mn, up 18.2% QoQ;
- Free cash flow at \$ 316.7 mn, conversion to PAT at 245.9%

Other Highlights

- Total headcount at 123,416; down 1,820 QoQ
- Active Clients stood at 981 in Q1'21, up by 8 QoQ
- Cash and Cash Equivalent at USD 1,378.4 mn as of June 30, 2020



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

Our customer centric approach and continued focus on keeping our associates safe and connected has helped us to navigate through these challenging times successfully. We are witnessing a wave of new age technologies being adopted by the customers as businesses across the globe are actively pursuing digital transformation. We are well positioned to capture such spends and our endeavor is to be back on the growth path amid increased signs of demand normalization.

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

Despite demand uncertainty and volume reduction, we have been able to demonstrate operational resilience through cost optimization. Cash conversion has been strong, while we aim to improve profitability margins as demand normalizes.



Key Wins

- Engaged by one of the largest healthcare provider in the US as a managed service partner for IT operations
- A leading Communications Service Provider (CSP) based in UK has selected Tech Mahindra to enhance its operational systems leveraging next-gen Data and Analytics
- Tech Mahindra won a deal with a global leader in sustainable and innovative fibre solutions to provide end-to-end managed services for plant Infrastructure across the organization
- Engaged by a leading US telecom provider for cloud migration and application support
- Engaged by a leading North American security and VPN (Virtual Private Network) solution provider to enhance its customer experience globally leveraging Artificial Intelligence and Machine Learning
- Signed a deal with a network service provider in Japan for implementation and support of the digital billing support system (BSS)
- Engaged by a South African administrative division for SAP support and application maintenance
- Tech Mahindra has been selected by a leading American telecom player as an Automation partner for AIOps implementation and platform development.
- Tech Mahindra won a deal with a new age Electric Vehicle Manufacturer for complete vehicle engineering leveraging its strong domain expertise

- Signed a multi- year deal with by an Asian public sector bank for Infrastructure implementation and support

Business Highlights

- Tech Mahindra and IBM have collaborated to help businesses transform their operations and accelerate their hybrid cloud strategies. Tech Mahindra will help clients migrate core business applications to the IBM public cloud using IBM Cloud Paks.
- Tech Mahindra and ChampTrax Technologies, a Canadian sports startup have collaborated to develop a solution to create stadium like-experience at home for global sports fans.
- Tech Mahindra and Openet, a leader in the supply of digital business support system (BSS) solutions, have entered into a global strategic partnership to enable digital transformation for customers globally by leveraging 5G and cloud technologies.
- Tech Mahindra has signed a joint declaration with UN Global Compact urging governments to align their COVID-19 recovery efforts with the latest climate science.
- Tech Mahindra launched mPAC 3.0 (Managed Platform for Adaptive Cloud), next-generation cloud management platform for enterprises globally. This will assist enterprises to transform their businesses by accelerating their time to market and ensuring cost optimization across verticals.
- Tech Mahindra and Lucideus, a global leader in cyber risk quantification solutions have entered into a strategic collaboration to conduct annual cybersecurity risk assessment, aimed at bringing the most advanced cyber risk quantification solutions to customers globally and transform the way businesses monitor cybersecurity currently.

Awards and Recognitions

- Tech Mahindra recognized by Great Place to Work® institute:
 - Ranked 21st among India’s 100 ‘Best Companies to Work For 2020’.
 - Amongst the ‘Best in Mega Employer’ (organizations with more than 50,000 employees)
 - Amongst one of the five ‘Best Companies in Career Management’
- Recognized as a Leader on ESG issues in Sustainalytics, with an ESG rating of 99 percentile, and ranked 3rd out of 244 Software and service companies of the world

About Tech Mahindra

Tech Mahindra represents the connected world, offering innovative and customer-centric information technology experiences, enabling Enterprises, Associates and the Society to Rise™. We are a USD 5.2 billion company with 123,400+ professionals across 90 countries, helping 981 global customers including Fortune 500 companies. Our convergent, digital, design experiences, innovation platforms and reusable assets connect across a number of technologies to deliver tangible business value and experiences to our stakeholders. Tech Mahindra has been recognised amongst India's 50 best companies to work for in 2020 by the Great Place to Work® Institute.

We are part of the USD 21 billion Mahindra Group that employs more than 240,000 people in over 100 countries. The Group operates in the key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, after-market, information technology and vacation ownership.

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 June 30, 2020 drawn under Ind AS

Consolidated Income Statement in INR Mn	Q1 FY21	Q4 FY20	Q1 FY20
Revenue from operations	91,063	94,902	86,530
Cost of Services	65,105	66,896	61,642
Gross Profit	25,958	28,006	24,888
SG&A	12,953	14,528	11,747
EBITDA	13,005	13,478	13,141
Other Income	4,161	2,852	3,413
Interest Expense	503	532	454
Depreciation & Amortization	3,832	3,982	3,213
Impairment of Goodwill and non current assets	-	2,175	-
Share of profit / (loss) from associate	1	15	(78)
Profit before Tax	12,832	9,656	12,809
Provision for taxes	3,276	2,392	3,318
Minority Interest	167	775	102
Profit after Tax	9,723	8,039	9,593
EPS (₹ / share)			
Basic	11.13	9.21	10.98
Diluted	11.07	9.14	10.89

Q1 FY21 KEY HIGHLIGHTS

USD 1,207 Mn
Revenue

10.1%
EBIT Margin

USD 290 Mn
Net New Deal Wins

USD 317 Mn
Free Cash Flow

Revenue Growth (USD)	QoQ		YoY	
	Reported	CC	Reported	CC
Communications	-8.6%	-8.2%	-7.9%	-6.5%
Enterprise	-5.4%	-5.1%	0.2%	1.6%
Total Revenue	-6.7%	-6.3%	-3.2%	-1.8%

Revenue by Industry %	Q1 FY21	Q4 FY20	Q1 FY20	QoQ	YoY
Communications	40.0%	40.8%	42.0%	-8.6%	-7.9%
Manufacturing	16.8%	17.7%	19.4%	-11.1%	-16.0%
Technology,Media & Entertainment	9.0%	7.4%	7.6%	13.1%	14.2%
Banking,Financial services & Insurance	15.7%	15.3%	12.8%	-4.4%	19.1%
Retail, Transport & Logistics	7.3%	7.3%	6.2%	-6.2%	13.9%
Others	11.2%	11.5%	11.9%	-9.5%	-9.6%

Revenue by Geography %	Q1 FY21	Q4 FY20	Q1 FY20	QoQ	YoY
Americas	49.3%	47.7%	47.6%	-3.5%	0.3%
Europe	25.8%	26.5%	27.6%	-9.1%	-9.5%
Rest of world	24.9%	25.8%	24.8%	-10.1%	-2.9%

IT On/Off Revenue Break-up in %	Q1 FY21	Q4 FY20	Q1 FY20
Onsite	64%	65%	65%
Offshore	36%	35%	35%



Net New Deal Wins (USD Mn)	Q1 FY21	Q4 FY20	Q1 FY20
Communications	105	174	100
Enterprise	185	339	375
Total	290	513	475

No. of Active Clients & % of Repeat Business	Q1 FY21	Q4 FY20	Q1 FY20
No. of Active Clients	981	973	941
% of Repeat Business	97%	86%	98%

No. of Million \$ Clients	Q1 FY21	Q4 FY20	Q1 FY20
≥ \$1 million clients	451	446	429
≥ \$5 million clients	161	160	160
≥ \$10 million clients	81	85	81
≥ \$20 million clients	48	49	49
≥ \$50 million clients	21	22	21

Client Concentration	Q1 FY21	Q4 FY20	Q1 FY20	QoQ	YoY
Top 5	22%	21%	21%	-5.2%	-1.7%
Top 10	31%	31%	31%	-6.6%	-2.2%
Top 20	43%	44%	44%	-6.9%	-3.4%

Total Headcount (As at period-end)	Q1 FY21	Q4 FY20	Q1 FY20	QoQ	YoY
Software professionals	71,020	71,515	74,093	-0.7%	-4.1%
BPO professionals	45,554	46,816	45,000	-2.7%	1.2%
Sales & support	6,842	6,905	6,680	-0.9%	2.4%
Total Headcount	123,416	125,236	125,773	-1.5%	-1.9%

Attrition & Utilization	Q1 FY21	Q4 FY20	Q1 FY20
IT Attrition % (LTM) #	17%	19%	21%
IT Utilization % #	82%	83%	80%
IT Utilization % (Excluding Trainees) #	82%	84%	82%

Metrics for Organic business



Cash Flow	Q1 FY21	Q4 FY20	Q1 FY20
Receivable Days (DSO)-Including Unbilled	107	112	110
Capital Expenditure (USD Mn)	26	27	29
Free Cash Flow (USD Mn)	317	175	86
Free Cash Flow to PAT %	245.9%	160.3%	62.1%

^Free cash Flow is as per Management Reporting

Cash & Borrowings (INR Mn)	Q1 FY21	Q4 FY20	Q1 FY20
Borrowings **	21,144	24,707	20,439
Cash and Cash Equivalent *	104,083	88,048	83,927

Cash & Borrowings (USD Mn)	Q1 FY21	Q4 FY20	Q1 FY20
Borrowings **	280	327	296
Cash and Cash Equivalent *	1,378	1,164	1,216

** 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	Q1 FY21	Q4 FY20	Q1 FY20	QoQ	YoY
Period closing rate	75.51	75.62	69.02	-0.1%	9.4%
Period average Rate	75.42	73.05	69.42	3.2%	8.6%

% of Revenues From Major Currencies	Q1 FY21	Q4 FY20	Q1 FY20
USD	52.2%	50.6%	48.3%
GBP	11.2%	11.6%	11.5%
EUR	8.7%	8.8%	9.9%
AUD	4.8%	4.1%	5.3%
Others	23.1%	24.8%	25.0%

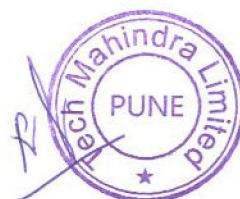
Hedge Book	Q1 FY21	Q4 FY20	Q1 FY20
GBP In Mn	292.0	304.0	275.0
Strike rate (INR)	100.4	100.1	99.1
USD In Mn	1,492.0	1,611.0	961.0
Strike rate (INR)	77.4	76.8	73.5
EUR In Mn	360.0	378.0	361.0
Strike rate (INR)	90.2	89.7	88.2



P&L in INR Mn	Q1 FY21	Q4 FY20	Q1 FY20	QoQ	YoY
Revenue From Operations	91,063	94,902	86,530	-4.0%	5.2%
Cost of services	65,105	66,896	61,642	-2.7%	5.6%
Gross Profit	25,958	28,006	24,888	-7.3%	4.3%
SGA	12,953	14,528	11,747	-10.8%	10.3%
EBIDTA	13,005	13,478	13,141	-3.5%	-1.0%
EBIDTA %	14.3%	14.2%	15.2%	0.1%	-0.9%
Depreciation & Amortization	3,832	3,982	3,213	-3.8%	19.3%
EBIT	9,173	9,496	9,928	-3.4%	-7.6%
EBIT %	10.1%	10.0%	11.5%	0.1%	-1.4%
Impairment of Goodwill and non current assets	-	2,175	-		
Other income	4,161	2,852	3,413	45.9%	21.9%
Foreign Exchange (loss)/ gain	857	73	1,018		
Interest, Dividend & Misc. income	3,304	2,779	2,395		
Interest expense	503	532	454	-5.5%	10.8%
Share of profit /(loss) from associate	1	15	(78)		
Profit Before Tax	12,832	9,656	12,809	32.9%	0.2%
Provision for taxes	3,276	2,392	3,318	37.0%	-1.3%
Profit After Tax	9,556	7,264	9,491	31.6%	0.7%
Minority Interest	167	775	102		
Net Profit after tax (After Minority Interest)	9,723	8,039	9,593	20.9%	1.4%
Net PAT %	10.7%	8.5%	11.1%	2.2%	-0.4%
EPS (In Rs)					
Basic	11.13	9.21	10.98	20.9%	1.4%
Diluted	11.07	9.14	10.89	21.1%	1.6%

Notes:

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



P&L in USD Mn	Q1 FY21	Q4 FY20	Q1 FY20	QoQ	YoY
Revenue From Operations	1,207.5	1,294.6	1,247.1	-6.7%	-3.2%
Cost of services	863.3	914.1	888.0	-5.6%	-2.8%
Gross Profit	344.1	380.4	359.1	-9.5%	-4.2%
SGA	171.7	197.7	169.2	-13.1%	1.5%
EBIDTA	172.4	182.7	190.0	-5.7%	-9.2%
EBIDTA %	14.3%	14.2%	15.2%	0.1%	-1.0%
Depreciation & Amortization	50.8	54.5	46.3	-6.8%	9.7%
EBIT	121.6	128.2	143.6	-5.2%	-15.4%
EBIT %	10.1%	10.0%	11.5%	0.1%	-1.4%
Impairment of Goodwill and non current assets	-	28.8	-		
Other income	55.1	38.3	49.2	44.0%	11.8%
Foreign Exchange (loss)/ gain	11.3	0.9	14.7		
Interest, Dividend & Misc. income	43.7	37.4	34.6		
Interest expense	6.7	7.2	6.5	-7.9%	1.7%
Share of profit /(loss) from associate	0.0	0.2	(1.1)		
Profit Before Tax	170.0	130.7	185.2	30.1%	-8.2%
Provision for taxes	43.4	32.4	48.0	34.0%	-9.6%
Profit After Tax	126.6	98.3	137.2	28.8%	-7.8%
Minority Interest	2.2	10.7	1.5		
Net Profit after tax (After Minority Interest)	128.8	109.0	138.7	18.2%	-7.1%
Net PAT %	10.7%	8.5%	11.1%	2.2%	-0.5%
EPS (In USD)					
Basic	0.15	0.13	0.16	17.1%	-6.6%
Diluted	0.15	0.13	0.16	17.3%	-6.4%

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. 9,723 Million, up 21% over previous quarter

Tech Mahindra Limited

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

Extract of Audited Consolidated Interim Financial Results of Tech Mahindra Limited and its subsidiaries for the quarter ended June 30, 2020

Rs. in Million except Earnings per share

Particulars	Quarter ended June 30, 2020	Year ended March 31, 2020	Quarter ended June 30, 2019
1 Total Revenue from Operations (Net)	91,063	368,677	86,530
2 Net Profit before Tax	12,832	50,578	12,809
3 Net Profit for the period after Tax (Share of the Owners of the Company)	9,723	40,330	9,593
4 Total Comprehensive Income for the Period (comprising Profit for the period after Tax and Other Comprehensive Income after Tax)	9,959	37,917	9,077
5 Equity Share Capital	4,360	4,359	4,350
6 Total Reserves	223,090	213,772	207,562
7 Earnings Per Equity Share (Rs.)			
- Basic	11.13	46.21	10.98
- Diluted	11.07	45.85	10.89

Additional information on standalone financial results is as follows:

Rs.in Million

Particulars	Quarter ended June 30, 2020	Year ended March 31, 2020	Quarter ended June 30, 2019
Revenue from Operations	71,647	292,254	68,624
Profit before Tax	11,019	53,322	10,795
Profit after Tax	8,542	45,345	8,227

Notes :

- The above is an extract of the detailed format of the Standalone and Consolidated Interim Financial Results for the quarter ended June 30, 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 ended June 30, 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 financial results have been reviewed by the Audit Committee and have been approved and taken on record by the Board of Directors in its meeting held on July 27, 2020.
- The Auditors have issued an unqualified opinion on the Standalone and Consolidated 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 : July 27, 2020
Place : Mumbai

C. P. Gurnani
Managing Director & CEO

