

23rd October, 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 October 23, 2020

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 second quarter and half year ended September 30, 2020, together with Auditors Report thereon.
2. Declared Special dividend of Rs. 15/- per equity share of Rs. 5/- each i.e. 300% of the face value.

The Dividend shall be paid on Thursday, 12th November, 2020, to the equity shareholders of the Company whose names appear on the Register of Members of the Company or in the records of Depositories as beneficial owners of the shares as on Monday, 2nd November, 2020, which is the Record Date fixed for the purpose.

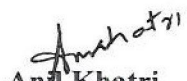
In this regard, please find enclosed:

1. Audited financial results and consolidated financial results of the Company for the second quarter and half year ended September 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

Encl.: as above



Profit after tax for the quarter at Rs. 10,646 Million up 9.5% 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 six months period ended September 30, 2020

	Particulars	Rs. in Million except Earnings per share					
		Quarter ended			Six months period ended		Year ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
1	Revenue from Operations	93,718	91,063	90,699	184,781	177,229	368,677
2	Other Income	1,175	4,161	2,163	5,336	5,576	11,924
3	Total Income (1 + 2)	94,893	95,224	92,862	190,117	182,805	380,601
4	EXPENSES						
	Employee Benefits Expenses	48,279	48,051	47,057	96,330	92,066	188,100
	Subcontracting Expenses	12,218	13,161	13,687	25,379	25,884	54,408
	Finance Costs	399	503	383	902	837	1,919
	Depreciation and Amortisation Expense	3,717	3,832	3,415	7,549	6,628	14,458
	Other Expenses	16,191	16,846	14,946	33,037	31,129	68,908
	Impairment of Goodwill and non current assets	-	-	-	-	-	2,175
	Total Expenses	80,804	82,393	79,488	163,197	156,544	329,968
5	Profit before share in profit/(loss) of associates and tax (3-4)	14,089	12,831	13,374	26,920	26,261	50,633
6	Share of Profit / (Loss) of Associates	4	1	3	5	(75)	(55)
7	Profit before Tax (5 + 6)	14,093	12,832	13,377	26,925	26,186	50,578
8	Tax Expense						
	Current Tax	4,150	4,103	2,064	8,253	5,698	12,378
	Deferred Tax	(688)	(827)	201	(1,515)	(115)	(774)
	Total Tax Expense	3,462	3,276	2,265	6,738	5,583	11,604
9	Profit after tax (7 - 8)	10,631	9,556	11,112	20,187	20,603	38,974
	Profit for the period attributable to:						
	Owners of the Company	10,646	9,723	11,239	20,369	20,832	40,330
	Non Controlling Interests	(15)	(167)	(127)	(182)	(229)	(1,356)
10	Other Comprehensive Income / (Loss)						
	A. Items that will not be reclassified to Profit or (Loss) (net of taxes)	1,646	31	(74)	1,677	(152)	(150)
	B. Items that will be reclassified to Profit or (Loss) (net of taxes)	1,081	372	454	1,453	118	(907)
	Total Other Comprehensive Income / (Loss) (A+B)	2,727	403	380	3,130	(34)	(1,057)
11	Total Comprehensive Income (9 + 10)	13,358	9,959	11,492	23,317	20,569	37,917
	Total Comprehensive Income for the period attributable to:						
	Owners of the Company	13,318	10,176	11,643	23,494	20,804	39,156
	Non Controlling Interests	40	(217)	(151)	(177)	(235)	(1,239)
12	Paid-up Equity Share Capital (Face Value of Share Rs. 5)	4,362	4,360	4,353	4,362	4,353	4,359
13	Total Reserves						213,772
14	Earnings Per Equity Share (Rs)						
	(EPS for the quarter and six months ended periods is not annualised)						
	Basic	12.18	11.13	12.88	23.31	23.87	46.21
	Diluted	12.11	11.07	12.78	23.17	23.69	45.85

Standalone Information

Particulars	Quarter ended			Six months period ended		Year ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
Revenue from Operations	74,044	71,647	70,970	145,691	139,594	292,254
Profit before Tax	12,576	11,019	14,852	23,595	25,647	53,322
Profit after Tax	9,615	8,542	13,963	18,157	22,190	45,345



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 six months period ended September 30, 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		Six months period ended		Year ended	
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
Segment Revenue						
a) IT	84,193	83,667	82,245	167,861	160,817	334,564
b) BPO	9,525	7,396	8,454	16,920	16,412	34,113
Total Sales / Income from operations	93,718	91,063	90,699	184,781	177,229	368,677
Segment Profit before tax, interest and depreciation						
a) IT	14,947	12,504	13,984	27,451	25,996	52,303
b) BPO	2,083	501	1,025	2,584	2,154	4,958
Total	17,030	13,005	15,009	30,035	28,150	57,261
Less:						
(i) Finance costs	399	503	383	902	837	1,919
(ii) Other un-allocable expenditure, net off un-allocable income	2,542	(329)	1,252	2,213	1,052	4,709
Add:						
Share of Profit / (Loss) of Associates	4	1	3	5	(75)	(55)
Profit before tax	14,093	12,832	13,377	26,925	26,186	50,578

Statement of Segment Assets and Liabilities	September 30, 2020	June 30, 2020	September 30, 2019	March 31, 2020
Segment Assets				
Trade and Other Receivables				
IT	90,624	100,633	103,429	106,941
BPO	9,127	8,085	10,673	9,665
Total Trade and Other Receivables	99,751	108,718	114,102	116,606
Goodwill				
IT	32,870	32,517	25,493	30,132
BPO	3,745	3,745	3,745	3,745
Total Goodwill	36,615	36,262	29,238	33,877
Unallocable Assets	246,130	238,202	194,638	223,052
TOTAL ASSETS	382,496	383,182	337,978	373,535
Segment Liabilities				
Unearned Revenue				
IT	6,161	7,338	5,696	5,492
BPO	1,127	1,010	754	1,001
Total Unearned Revenue	7,288	8,348	6,450	6,493
Unallocable Liabilities	134,155	143,245	117,617	144,978
TOTAL LIABILITIES	141,443	151,593	124,067	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.



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 six months period ended September 30, 2020

Balance Sheet as at September 30, 2020 (Consolidated - Audited)

Rs. in Million

Particulars	As at September 30, 2020	As at March 31, 2020
ASSETS		
Non-Current Assets		
(a) Property, Plant and Equipment	25,677	26,609
(b) Capital Work-in-Progress	814	501
(c) Right-of-Use Asset	11,108	11,730
(d) Investment Property	1,391	1,444
(e) Goodwill	36,615	33,877
(f) Intangible Assets	15,642	15,060
(g) Intangible Assets under development	284	-
(h) Investment accounted using Equity method	202	197
(i) Financial Assets		
(i) Investments	1,747	2,163
(ii) Trade Receivables	41	37
(iii) Loans	47	45
(iv) Other Financial Assets	4,712	4,281
(j) Income Tax Assets (Net)	22,835	24,152
(k) Deferred Tax Assets (Net)	9,021	8,443
(l) Other Non-Current Assets	13,376	13,273
Total Non - Current Assets	143,512	141,812
Current Assets		
(a) Inventories	277	358
(b) Financial Assets		
(i) Investments	70,213	56,123
(ii) Trade Receivables	64,230	75,772
(iii) Cash and Cash Equivalents	31,538	30,167
(iv) Other Balances with Banks	12,815	1,316
(v) Other Financial Assets	31,028	37,355
(c) Other Current Assets	28,883	30,632
Total Current Assets	238,984	231,723
Total Assets	382,496	373,535
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	4,362	4,359
(b) Other Equity	232,562	213,772
Equity Attributable to Owners of the Company	236,924	218,131
Non controlling Interest	4,129	3,933
Total Equity	241,053	222,064
Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	2,148	1,787
(ii) Lease liabilities	9,060	8,539
(iii) Other Financial Liabilities	8,014	12,323
(b) Provisions	7,123	6,691
(c) Deferred tax liabilities (Net)	783	356
(d) Other Non-Current Liabilities	2,148	214
Total Non - Current Liabilities	29,276	29,910
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	14,310	22,495
(ii) Lease liabilities	3,402	3,459
(iii) Trade Payables	30,035	32,566
(iv) Other Financial Liabilities	16,188	17,898
(b) Provisions	5,470	4,364
(c) Income Tax Liabilities (Net)	11,994	10,205
(d) Other Current Liabilities	18,464	18,270
Total Current Liabilities	99,863	109,257
Suspense Account (Net)	12,304	12,304
Total Equity and Liabilities and Suspense Account	382,496	373,535



Cash Flow Statement (Consolidated-Audited)	Rs.in Million	
	Six months period ended	
	September 30, 2020	September 30, 2019
A Cash Flow from Operating Activities		
Profit Before Tax	26,925	26,186
Adjustments for :		
Depreciation and Amortisation Expense	7,549	6,628
Bad debts and advance written off, allowance/(reversal) of doubtful receivables and advances (net)	1,623	(720)
Share of (Profit) / Loss of Associates	(5)	75
Net gain on disposal of Property, Plant and Equipment and Intangible Assets	5	11
Finance Costs	902	837
Unrealised Exchange (Gain) / Loss (net)	1,534	3,085
Share Based Payments to Employees	718	717
Interest Income	(1,401)	(1,175)
Rental Income	(230)	(193)
Dividend Income on Investments carried at fair value through profit and loss	(2)	(141)
Gain on Investments carried at fair value through profit and loss (net)	(525)	(1,133)
Gain on sale of subsidiary and dilution of associate	(730)	(787)
	36,363	33,390
Changes in working capital		
Trade Receivables and Other Assets	16,895	(15,274)
Trade Payables, Other Liabilities and Provisions	(1,102)	2,963
	15,793	(12,311)
Cash generated from operating activities before taxes	52,156	21,079
Income taxes paid, net	(5,862)	(6,528)
Net cash generated from operating activities (A)	46,294	14,551
B Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment and Intangible Assets	(4,530)	(4,173)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	142	1
Purchase of Mutual Funds, Debentures and Other Investments	(131,408)	(178,694)
Proceeds from sale / redemption of Mutual Funds, Debentures and Other Investments	120,421	195,004
Proceeds from sale of subsidiary	-	142
Payment for acquisition of business / associates, net of cash acquired	(5,896)	(1,244)
Rental Income	136	194
Fixed Deposit/ Margin Money Placed	(15,746)	(531)
Fixed Deposit/ Margin Money Realized	4,679	2,653
Interest Income Received	1,769	1,382
Net cash generated from / (used in) investing activities (B)	(30,433)	14,734
C Cash Flow from Financing Activities		
Proceeds from Issuance of Equity Shares from exercise of stock options	184	234
Payment of dividend (including tax on dividend in previous period)	(4,396)	(14,684)
Buyback of equity shares	-	(17,879)
Proceeds from Long-Term Borrowings	1,382	580
Repayment of Long-Term Borrowings	(2,858)	(8,157)
Movement in Short-Term Borrowings (net)	(6,527)	8,983
Finance Costs paid	(937)	(837)
Repayment of lease liabilities	(1,446)	(1,471)
Net cash used in financing activities (C)	(14,598)	(33,231)
Net Increase / (decrease) in cash and cash equivalents during the period (D=A+B+C)	1,263	(3,946)
Effect of exchange rate changes on cash and cash equivalents (E)	108	(171)
Cash and Cash Equivalents at the beginning of the period (F)	30,167	20,427
Cash and Cash Equivalents at the end of the period (G=D+E+F)	31,538	16,310



Notes :

- 1 The quarterly and six 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 October 23, 2020.
- 2 The Board of Directors at its meeting held on October 23, 2020, has declared a special dividend of Rs. 15 per equity share on face value of Rs. 5/- (300%).
- 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 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.
- 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 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)'.

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. 2,338 Million as on September 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 half year ended September 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.

6 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 year, ending March 31, 2023.
During the period ended September 30, 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 September 30, 2020, contractual obligation towards the acquisition amounts to Rs. 1,225 million.

7 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 USD 3.85 Million (Rs. 292 Million) and contingent consideration linked to financial performance of financial year ending 2021 to 2023.
As at September 30, 2020, contractual obligation towards the said acquisition amounts to USD 18.26 Million (Rs. 1,347 Million).

8 The shareholders at the Annual General Meeting held on July 28, 2020 approved final dividend of Rs. 5 per equity share (total of Rs.4,831 Million) for the year ended March 31, 2020 which was subsequently paid during the quarter ended September 30, 2020. The amount was recognised as distributions to equity shareholders.

9 Tax expense for the six months period ended September 30, 2020 is net of provision of Rs. Nil of earlier periods, no longer required, written back, (Quarter ended "QE" September 30, 2020: Rs. Nil) and (QE June 30, 2020: Rs. Nil) (QE September 30, 2019: Rs. 1,848 Million) (Six months period ended September 30, 2019: Rs. 1,897 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.

10 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. However, the effective date from which the changes are applicable is yet to be notified and the rules are yet to be issued. 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.

11 Previous period's figures have been regrouped wherever necessary.



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 six months period ended September 30, 2020

12 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 year to date period ended September 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.

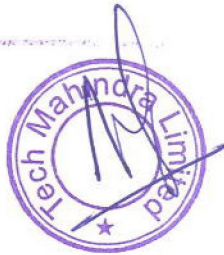
13 Management response to Emphasis of Matters:

With regard to the Emphasis of Matters stated in Note 12 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.

14 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 : October 23, 2020
Place : Mumbai

C. P. Gurnani
Managing Director & CEO



B S R & Co. LLP

Chartered Accountants

14th Floor, Central Wing,
Tower 4, Nesco Center,
Western Express Highway, Goregaon (East),
Mumbai – 400063

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

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 September 2020 and the year to date results for the period from 1 April 2020 to 30 September 2020 ("the Statement" or "the consolidated interim financial results"), 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 the reports of the other auditors on separate audited financial statements/ financial information of subsidiaries and associates, the Statement:

- 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. 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 30 September 2020 as well as the year to date results for the period from 1 April 2020 to 30 September 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 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.

Registered Office:

B S R & Co. LLP

Tech Mahindra Limited

Independent Auditors' Report – 30 September 2020 (*continued*)

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.
- 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 30 September 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 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 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 September 2020 (continued)

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

In preparing the consolidated interim financial results, the respective Management / the 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 respective Management / the Board of Directors either intends to liquidate the company 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 the Group and of its associates.

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 company's internal control.
- 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.
- 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 to cease to continue as a going concern.

Tech Mahindra Limited

Independent Auditors' Report – 30 September 2020 (continued)

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

- 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, 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.

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.

Other Matters

The consolidated interim financial results include the audited financial results of 57 subsidiaries whose interim financial statements / financial information reflect total assets (before consolidation adjustments) of Rs. 78,831 million as at 30 September 2020, total revenue (before consolidation adjustments) of Rs. 25,439 million and Rs. 52,306 million and total net profit after tax (before consolidation adjustments) of Rs. 1,297 million and Rs 2,258 million for the quarter ended 30 September 2020 and for the year-to-date period ended 30 September 2020 respectively and net cash inflows amounting to Rs.645 million for the year-to-date period ended on that date, 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.

BSR & Co. LLP

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

Our opinion on the consolidated interim financial results is not modified in respect of the above matter

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

JAMIL
AHMED
KHATRI

Digitally signed by
JAMIL AHMED KHATRI
Date: 2020.10.23
15:28:26 +05'30'

Place: Mumbai
Date: 23 October 2020

Jamil Khatri
Partner
Membership No: 102527
UDIN: 20102527AAAABK8302

BSR & Co. LLP

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

Annexure 1: List of entities consolidated as at and for the period ended 30 September 2020

i) List of subsidiaries:

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

BSR & Co. LLP

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

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
101	Lightbridge Communications Corporations LLC	136	Group FMG Holdings B.V.
102	LCC do Brasil Ltda	137	Whitefields Holdings Asia Limited
103	Tech-Mahindra Bolivia S.R.L.	138	Born Japan Kabhushiki Kaisha
104	Tech-Mahindra Panama, S.A.	139	Born Digital Sdn Bhd
105	Tech Mahindra Products Services Singapore Pte. Limited (Formerly known as Sofgen Services Pte. Ltd.)	140	Born Creative Commerce Group Inc.
106	Tech Mahindra Colombia S.A.S	141	Born London Limited
107	Pininfarina of America Corp.	142	Born Group Inc
108	Pininfarina Deutschland Holding GmbH	143	Born Group HK Company Limited
109	Pininfarina Deutschland GmbH	144	Comviva Technologies Myanmar Limited

B S R & Co. LLP

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

145	Tech Mahindra Spain S.L.	153	Zen3 Infosolutions Inc (Acquired on 09 April 2020)
146	Tech Mahindra France.	154	Zen3 Information Technologies Limited (Acquired on 09 April 2020)
147	Harlosh Limited	155	Cerium Systems Private Limited (Acquired on 09 April 2020)
148	Mahindra Engineering Services ESOP Trust	156	Cerium Systems Inc. (Acquired on 09 April 2020)
149	Satyam Associates Trust	157	Cerium Systems SDN. BHD. (Acquired on 09 April 2020)
150	Zen3 Infosolutions (America) Inc. (Acquired on 09 April 2020)	158	Tech Mahindra Luxembourg S.ar.l. (Incorporated on 22 May 2020)
151	Zen3 Infosolutions Private Limited (acquired on April 9, 2020)	159	Tech Mahindra Credit Solutions Inc. (Incorporated on 17 August 2020)
152	Oslo Solutions LLC (Acquired on 09 April 2020)	160	YABX India Private Limited (Incorporated on 15 July 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 and six months period ended September 30, 2020

	Particulars	Quarter ended			Six months period ended		Year ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
1	Revenue from Operations	74,044	71,647	70,970	145,691	139,594	292,254
2	Other Income	1,570	2,715	5,801	4,285	8,189	23,662
3	Total Income (1 + 2)	75,614	74,362	76,771	149,976	147,783	315,916
4	EXPENSES						
	Employee Benefit Expenses	23,090	22,548	23,517	45,638	45,934	92,827
	Subcontracting Expenses	29,266	29,615	27,884	58,881	54,592	116,074
	Finance Costs	154	183	120	337	241	667
	Depreciation and Amortisation Expense	1,701	1,686	1,704	3,387	3,287	6,674
	Other Expenses	8,827	9,311	8,694	18,138	18,082	40,798
	Impairment of Non current investments	-	-	-	-	-	5,554
	Total Expenses	63,038	63,343	61,919	126,381	122,136	262,594
5	Profit before Tax (3 - 4)	12,576	11,019	14,852	23,595	25,647	53,322
6	Tax Expense						
	Current Tax	3,265	3,252	787	6,517	3,751	8,813
	Deferred Tax	(304)	(775)	102	(1,079)	(294)	(836)
	Total Tax Expense	2,961	2,477	889	5,438	3,457	7,977
7	Profit after tax (5 - 6)	9,615	8,542	13,963	18,157	22,190	45,345
8	Other Comprehensive Income / (Loss)						
	A. Items that will not be reclassified to Profit or (Loss) (net of taxes)	40	26	(48)	66	(119)	(98)
	B. Items that will be reclassified to Profit or (Loss) (net of taxes)	1,351	476	(34)	1,826	181	(3,136)
	Total Other Comprehensive Income / (Loss) (A+B)	1,391	502	(62)	1,892	62	(3,234)
9	Total Comprehensive Income (7 + 8)	11,006	9,044	13,881	20,049	22,252	42,111
10	Paid-up Equity Share Capital (Face Value of Share Rs. 5)	4,833	4,831	4,824	4,833	4,824	4,829
11	Total Reserves						217,905
12	Earnings Per Equity Share in Rs.						
	<i>(EPS for the quarter and six months ended periods is not annualised)</i>						
	- Basic	9.93	8.83	14.44	18.76	22.94	46.89
	- Diluted	9.88	8.78	14.34	18.66	22.79	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 six months period ended September 30, 2020

Balance Sheet as at September 30, 2020 (Standalone - Audited)

Rs. in Million

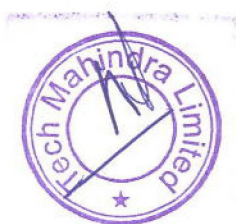
Particulars	As at September 30, 2020	As at March 31, 2020
ASSETS		
Non-Current Assets		
(a) Property, Plant and Equipment	19,169	20,069
(b) Capital Work-in-Progress	555	352
(c) Right-of-Use Asset	4,913	5,383
(d) Investment Property	939	997
(e) Intangible Assets	6,394	6,908
(f) Intangible Assets under development	284	-
(g) Financial Assets		
(i) Investments	66,323	58,883
(ii) Trade Receivables	-	-
(iii) Other Financial Assets	4,399	4,249
(h) Income Tax Assets (Net)	17,208	18,880
(i) Deferred Tax Assets (Net)	4,600	4,364
(j) Other Non-Current Assets	3,695	2,704
Total Non - Current Assets	128,479	122,789
Current Assets		
(a) Financial Assets		
(i) Investments	65,815	47,603
(ii) Trade Receivables	53,990	62,120
(iii) Cash and Cash Equivalents	14,505	18,038
(iv) Other Balances with Banks	12,102	542
(v) Loans	74	76
(vi) Other Financial Assets	26,277	32,844
(b) Other Current Assets	16,892	19,208
Total Current Assets	189,655	180,431
Total Assets	318,134	303,220
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	4,833	4,829
(b) Other Equity	234,031	217,905
Total Equity	238,864	222,734
Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Lease Obligations	3,610	3,424
(ii) Other Financial Liabilities	1,854	3,026
(b) Provisions	4,820	4,594
(c) Other Non-Current Liabilities	935	-
Total Non - Current Liabilities	11,219	11,044
Current liabilities		
(a) Financial Liabilities		
(i) Lease Obligations	1,495	1,385
(ii) Trade Payables		
(1) Dues of micro enterprises and small enterprises	27	42
(2) Dues of creditors other than micro enterprises and small enterprises	23,801	25,214
(iii) Other Financial Liabilities	6,629	8,230
(b) Provisions	2,568	1,859
(c) Income Tax Liabilities (Net)	8,842	7,877
(d) Other Current Liabilities	12,385	12,531
Total Current Liabilities	55,747	57,138
Suspense Account (Net)	12,304	12,304
Total Equity and Liabilities and Suspense Account	318,134	303,220



Cash Flow Statement (Standalone-Audited)

Rs. in Million

	Six months period ended	
	September 30, 2020	September 30, 2019
A) Cash Flow from Operating Activities		
Profit before Tax	23,595	25,647
Adjustments for :		
Depreciation and Amortization Expense	3,387	3,287
Bad debts and advance written off, allowance/(reversal) of doubtful receivables and advances (net)	1,651	(303)
Net (gain)/loss on disposal of Property, Plant and Equipment and Intangible Assets	(7)	3
Finance Costs	337	241
Unrealized Exchange Loss (net)	1,918	2,672
Share Based Payments to Employees	551	573
Loss on sale of investment (net)	-	443
Interest Income	(1,298)	(1,106)
Rental Income	(154)	(159)
Dividend Income on Investments / Distributions from benefit trust	(448)	(3,696)
Gain on investments carried at fair value through profit and loss (net)	(465)	(1,028)
	29,067	26,574
Changes in working capital :		
Trade Receivables and Other Assets	10,573	(5,638)
Trade Payables, Other Liabilities and Provisions	1,462	(3,414)
	12,035	(9,052)
Cash generated from operating activities before taxes	41,102	17,522
Income taxes paid, net	(3,879)	(4,564)
Net cash generated from Operating activities (A)	37,223	12,958
B) Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment and Intangible Assets	(2,611)	(2,781)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	15	3
Purchase of Mutual Funds, Debentures and Other Investments	(126,611)	(173,642)
Proceeds from sale of Mutual Funds, Debentures and Other Investments	108,121	190,393
Dividend Income / Distributions from benefit trust	448	3,782
Investment in Associate and Subsidiaries	(5,167)	(162)
Rental Income	73	158
Fixed Deposit / Margin Money Placed	(15,537)	(219)
Fixed Deposit / Margin Money Realized	4,379	2,321
Interest income received	1,701	1,324
Net cash generated from/(used in) Investing activities (B)	(35,189)	21,177
C) Cash Flow from Financing Activities		
Proceeds from Issuance of Equity Shares from exercise of stock options	165	234
Buyback of equity shares	-	(19,556)
Payment of dividend (including Tax on dividend in previous period)	(4,833)	(16,126)
Repayment of lease liabilities	(707)	(536)
Finance costs paid	(337)	(241)
Net cash (used in) financing activities (C)	(5,692)	(36,225)
Net (decrease) in cash and cash equivalents during the period (D) = (A+B+C)	(3,658)	(2,090)
Effect of exchange rate changes on cash and cash equivalents (E)	125	(171)
Cash and Cash Equivalents at the beginning of the period (F)	18,038	9,599
Cash and Cash Equivalents at the end of the period (G) = (D+E+F)	14,505	7,338



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 six months period ended September 30, 2020

Notes :

- 1 The quarterly and six 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 October 23, 2020.
- 2 The Board of Directors at its meeting held on October 23, 2020, has declared a special dividend of Rs. 15 per equity share on face value of Rs. 5/- (300%).
- 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 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)'.
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-year, ending March 31, 2023. During the period ended September 30, 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 September 30, 2020, contractual obligation towards the acquisition amounts to Rs. 1,225 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 The shareholders at the Annual General Meeting held on July 28, 2020 approved final dividend of Rs. 5 per equity share (total of Rs. 4,831 Million) for the year ended March 31, 2020 which was subsequently paid during the quarter ended September 30, 2020. The amount was recognised as distributions to equity shareholders.
8 Tax expense for the six months period ended September 30, 2020 is net of provision of Rs. Nil of earlier periods, no longer required, written back (Quarter ended "QE" September 30, 2020: Rs. Nil) (QE June 30, 2020: Rs. Nil) (QE September 30, 2019: Rs. 1,829 Million) (Six months period ended September 30, 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.
9 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. However, the effective date from which the changes are applicable is yet to be notified and the rules are yet to be issued. 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.
10 Previous period's figures have been regrouped wherever necessary.
11 **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.
12 **Management response to Emphasis of Matter:**
With regard to the Emphasis of Matter stated in Note 11 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.
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 : October 23, 2020
Place : Mumbai

C. P. Gurnani
Managing Director & CEO



B S R & Co. LLP

Chartered Accountants

14th Floor, Central Wing,
Tower 4, Nesco Center,
Western Express Highway, Goregaon (East),
Mumbai – 400063

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

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 September 2020 and the year to date results for the period from 1 April 2020 to 30 September 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 30 September 2020 as well as the year to date results for the period from 1 April 2020 to 30 September 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.

B S R & Co. LLP

Independent Auditors' Report – 30 September 2020 (*continued*)

Tech Mahindra Limited

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 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 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.

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

Independent Auditors' Report – 30 September 2020 (continued)
Tech Mahindra Limited (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: 2020.10.23
15:27:48 +05'30'

Place: Mumbai
Date: 23 October 2020

Jamil Khatri
Partner
Membership Number: 102527
UDIN: 20102527AAAABL8344

Tech Mahindra Q2'21 EBITDA Up 30.9%

EBITDA Margins at 18.2%

Mumbai - October 23rd, 2020: [Tech Mahindra](#) Ltd., a specialist in digital transformation, consulting and business reengineering services today announced the audited consolidated financial results for its second quarter ended September 30, 2020.

Financial highlights for the quarter (₹)

- Revenue at ₹ 9,372 crore; up 2.9% QoQ, up 3.3% YoY
- EBITDA at ₹ 1,703 crore; up 30.9% QoQ;
 - Margins at 18.2%; up 390bps QoQ
- Profit after tax (PAT) at ₹ 1065 crore; up 9.5% QoQ
- Earnings per share (EPS) was at ₹ 12.11
- The Board has proposed a special dividend of ₹ 15/- per share (300%)

Financial highlights for the quarter (USD)

- Revenue at USD 1,265.4 mn; up 4.8% QoQ, down 1.7% YoY
 - Revenue growth at 2.9% QoQ in constant currency terms
- EBITDA at USD 230.0 mn; up 33.4% QoQ
- Consolidated PAT at USD 143.7 mn, up 11.5% QoQ;
- Free cash flow at \$ 235.7 mn, conversion to PAT at 164.0%

Other Highlights

- Total headcount at 124,258, up 842 QoQ
- Active Clients stood at 988 in Q2'21, up by 7 QoQ
- Cash and Cash Equivalent at USD 1,564 mn as of Sep 30, 2020



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

Our Repair, Rally and Rise strategy has helped the company to emerge stronger, as we journey towards a post Covid world. We are witnessing demand revival across multiple segments, as customers have accelerated their pace of digital transformation. Our focus on creating Human Centered Experiences will enable us to capture increased spends on consumerization, as businesses try to stay relevant in the current environment.

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

Strong execution on both revenue growth and operational metrics has helped to improve our performance on all fronts. Our cash conversion continues to be robust and we remain committed towards creating value for our shareholders through effective capital return.



Key Wins

- Won a multi-year deal with an American technology company for software engineering services.
- Tech Mahindra has been selected as a strategic partner for managed IT, security and network services by ASIAN telco.
- Engaged by European pharma company as a development partner for transformation projects in Pharma Informatics.
- Tech Mahindra won a multi-year deal with an Asian communications service provider (CSP) for IT managed services.
- Won a managed services deal from a large telco in Southeast Asia for operational transformation.
- Engaged by a leading Chemicals and Fertilizers manufacturing company for SAP S4HANA implementation.
- Engaged by a large Australian Communications Service Provider (CSP) for data and analytics services to support planning and decision making for field service control tower.
- A power utility company has selected Tech Mahindra for end to end system integration of green field ERP implementation.
- Selected by one of the largest public sector banks in India for creating core banking infrastructure across multiple locations.

Acquisitions

Tech Mahindra announced the strategic acquisition of *Momenton*, a digital enterprise technology firm, offering consultancy and implementation services, and *Tenzing Limited*, a technology consulting company. Tech Mahindra has acquired 100% equity in both the organizations, and together they will enable digital capabilities, modern cloud-based architecture and transformation for customers in the ANZ (Australia and New Zealand), specifically in Financial Services.



Vivek Agarwal, Head Corporate Development & Global Head for Healthcare and Financial Services, Tech Mahindra, said,

The acquisition of Momenton and Tenzing Ltd, are in line with our strategy to strengthen our digital capabilities, and offer our clients end-to-end transformation services. This will significantly enhance our local presence in the markets, and the combination will create significant synergies and help in bringing next generation solutions to customers enabling them to run better, change faster and grow greater. We welcome the team of Momenton and Tenzing Ltd into the Tech Mahindra family, and look forward to creating and delivering enhanced customer experiences for our customers.



Business Highlights

- Tech Mahindra has partnered with VitalTech to offer digital technologies to healthcare providers as part of Tech Mahindra's broader Virtual Health portfolio.
- Tech Mahindra, has launched Mhealthy, a solution to enable workforce and community safety against COVID-19.
- Tech Mahindra and Rakuten Mobile have collaborated to bring Rakuten Communications Platform to global customers. This partnership will enable Tech Mahindra to drive innovation in the telecom space, provide enhanced customer experience and lead the transformation in mobile network technology from the forefront.
- Tech Mahindra and Smart Energy Water (SEW) a global energy and water cloud platform provider have entered into a global partnership to accelerate digital transformation for energy and water utility industry.
- Tech Mahindra has collaborated with Amazon Web Services (AWS) to build solutions based on blockchain technology.

- Tech Mahindra has collaborated with NITI Aayog's Women Entrepreneurship Platform (WEP) to support women entrepreneurs across the country. Tech Mahindra will provide mentorship, co-create solutions leveraging new-age technologies and support in developing a go-to-market strategy.
- Tech Mahindra has launched a dedicated 'Microsoft Business Unit' to accelerate the digital transformation journey of enterprises globally by focusing on developing enterprise cloud solutions leveraging Microsoft platforms and technologies.
- Tech Mahindra has launched its intelligent cloud operations and subscription management platform, iCOPS, for global enterprises which will help simplify and streamline their cloud operations.
- Tech Mahindra has entered into a global strategic partnership with CyQureX, a leading provider of advanced Cyber Security solutions world-wide, with a view to offer world class cyber security solutions to support clients through successful digital transformation.
- Tech Mahindra has designed a first-of-its-kind digital transformation course approved by All India Council of Technical Education (AICTE) in a partnership with Jawaharlal Nehru Engineering College (JNEC), under Mahatma Gandhi Mission (MGM) University. The two year post graduate programme is aimed at addressing the industry-academia skill-gap in new-age technologies including digitalisation, mobility, artificial intelligence and machine learning among others.
- Tech Mahindra has launched a new digital platform, branded as 'Blockchain based Contracts and Rights Management System' (bCRMS) for the global media and entertainment industry to enable production houses and content creators to track revenue, royalty payments, manage rights and address content piracy leveraging IBM blockchain.

Awards and Recognitions

- Tech Mahindra's Mhealthy won ETHealth Award for Best Technology Solution for COVID-19.
- Tech Mahindra has been recognized as a Leader in Gartner's September 2020 Magic Quadrant for IT Services for Communication Service Providers, Worldwide.
- Tech Mahindra has featured amongst the Top 10 "Best Companies for Women in India (BCWI)" by Avtar and Working Mother for the third year in a row.
- Tech Mahindra received FICCI CSR Awards 2020 in skill development and livelihood category for the SMART program.
- Received CSR Health Impact Awards 2020 in COVID protection project category for Flush the Virus.
- Tech Mahindra has been ranked among India's 50 Best Workplaces for Women – 2020, by the Great Place to Work® Institute.

- Tech Mahindra won ASSOCHAM Innovators' Excellence Awards 2020 in innovation in CSR Initiatives Category for Mobile Science Lab.
- Tech Mahindra has been recognized amongst 'India's Top 20 Companies for Sustainability and CSR 2020' by The Economic Times and Futurescape 7th Responsible Business Rankings during ETSDG Impact Summit 2020.
- Tech Mahindra has been recognised as a leader by Sustainalytics with 99 percentile, and an overall ESG Score of 84.
- Tech Mahindra has been rated BBB by MSCI (Morgan Stanley Capital International) with an ESG quality score of 7.5.
- Tech Mahindra has been recognised for its 'In the Future' campaign curated in partnership with The Trust – The Wall Street Journal (WSJ) and Barron's Group at the corporate influencer at World Media Awards 2020.

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 124,250+ professionals across 90 countries, helping 988 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



For Further Queries:

Kaustubh Vaidya

Head – Investor Relations
Phone: +91 98208 91860
Email: kaustubh.vaidya@techmahindra.com

Kavya Bagga

Investor Relations
Phone: +91 70660 07951
Email: kavya.bagga@techmahindra.com
investor.relations@techmahindra.com

Abhilasha Gupta

Head - Corporate Communications & Public Affairs
Phone: +91 97179 46080
Email: abhilasha.gupta@TechMahindra.com

Kanika Vats

Corporate Communications & Public Affairs:
Phone: +91 98993 21495
Email: kanika.vats@techmahindra.com
Media.relations@techmahindra.com

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 Sep 30, 2020 drawn under Ind AS

P&L in INR Mn	Q2 FY21	Q1 FY21	Q2 FY20
Revenue	93,718	91,063	90,699
Cost of Services	64,245	65,105	63,893
Gross Profit	29,473	25,958	26,806
SG&A	12,443	12,953	11,797
EBITDA	17,030	13,005	15,009
Other Income	1,175	4,161	2,163
Interest Expense	399	503	383
Depreciation & Amortization	3,717	3,832	3,415
Impairment of Goodwill and non current assets	-	-	-
Share of profit / (loss) from associate	4	1	3
Profit before Tax	14,093	12,832	13,377
Provision for taxes	3,462	3,276	2,265
Minority Interest	15	167	127
Profit after Tax	10,646	9,723	11,239
EPS (₹ / share)			
Basic	12.18	11.13	12.88
Diluted	12.11	11.07	12.78

Q2 FY21 KEY HIGHLIGHTS

USD 1,265 Mn
Revenue

14.2%
EBIT Margin

USD 421 Mn
Net New Deal Wins

USD 236 Mn
Free Cash Flow

Revenue Growth (USD)	QoQ		YoY	
	Reported	CC	Reported	CC
Communications	3.2%	0.8%	-5.8%	-7.8%
Enterprise	5.9%	4.3%	1.2%	0.3%
Total Revenue	4.8%	2.9%	-1.7%	-3.0%

Revenue by Industry %	Q2 FY21	Q1 FY21	Q2 FY20	QoQ	YoY
Communications	39.3%	40.0%	41.1%	3.2%	-5.8%
Manufacturing	16.1%	16.8%	18.0%	0.5%	-12.0%
Technology, Media & Entertainment	9.8%	9.0%	8.1%	13.3%	18.4%
Banking, Financial services & Insurance	16.4%	15.7%	13.0%	9.6%	24.7%
Retail, Transport & Logistics	7.5%	7.3%	7.0%	7.8%	5.5%
Others	10.9%	11.2%	12.8%	1.6%	-17.2%

Revenue by Geography %	Q2 FY21	Q1 FY21	Q2 FY20	QoQ	YoY
Americas	48.4%	49.3%	48.5%	2.7%	-1.9%
Europe	25.2%	25.8%	26.7%	2.1%	-7.3%
Rest of world	26.4%	24.9%	24.8%	11.7%	4.7%

IT On/Off Revenue Break-up in %	Q2 FY21	Q1 FY21	Q2 FY20
Onsite	63%	64%	65%
Offshore	37%	36%	35%



Net New Deal Wins (USD Mn)	Q2 FY21	Q1 FY21	Q2 FY20
Communications	208	105	1,079
Enterprise	214	185	414
Total	421	290	1,493

No. of Active Clients & % of Repeat Business	Q2 FY21	Q1 FY21	Q2 FY20
No. of Active Clients	988	981	946
% of Repeat Business	95%	97%	95%

No. of Million \$ Clients	Q2 FY21	Q1 FY21	Q2 FY20
≥ \$1 million clients	460	451	437
≥ \$5 million clients	165	161	155
≥ \$10 million clients	82	81	80
≥ \$20 million clients	50	48	49
≥ \$50 million clients	21	21	22

Client Concentration	Q2 FY21	Q1 FY21	Q2 FY20	QoQ	YoY
Top 5	22%	22%	22%	3.5%	-2.0%
Top 10	30%	31%	31%	2.5%	-5.0%
Top 20	43%	43%	44%	3.0%	-3.6%

Total Headcount (As at period-end)	Q2 FY21	Q1 FY21	Q2 FY20	QoQ	YoY
Software professionals	69,512	71,020	72,597	-2.1%	-4.2%
BPO professionals	48,462	45,554	52,193	6.4%	-7.1%
Sales & support	6,284	6,842	6,732	-8.2%	-6.7%
Total Headcount	124,258	123,416	131,522	0.7%	-5.5%

Attrition & Utilization	Q2 FY21	Q1 FY21	Q2 FY20
IT Attrition % (LTM) #	14%	17%	21%
IT Utilization % #	85%	82%	82%
IT Utilization % (Excluding Trainees) #	85%	82%	83%

Metrics for Organic business



Cash Flow	Q2 FY21	Q1 FY21	Q2 FY20
Receivable Days (DSO)-Including Unbilled	97	107	114
Capital Expenditure (USD Mn)	34	26	31
Free Cash Flow (USD Mn)	236	317	72
Free Cash Flow to PAT %	164.0%	245.9%	45.7%

^Free cash Flow is as per Management Reporting

Cash & Borrowings (INR Mn)	Q2 FY21	Q1 FY21	Q2 FY20
Borrowings **	16,984	21,144	22,066
Cash and Cash Equivalent *	115,380	104,083	75,581

Cash & Borrowings (USD Mn)	Q2 FY21	Q1 FY21	Q2 FY20
Borrowings **	230	280	311
Cash and Cash Equivalent *	1,564	1,378	1,066

** 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	Q2 FY21	Q1 FY21	Q2 FY20	QoQ	YoY
Period closing rate	73.77	75.51	70.87	-2.3%	4.1%
Period average Rate	74.07	75.42	70.35	-1.8%	5.3%

% of Revenues From Major Currencies	Q2 FY21	Q1 FY21	Q2 FY20
USD	51.5%	52.2%	50.2%
GBP	10.5%	11.2%	11.2%
EUR	9.0%	8.7%	9.5%
AUD	4.8%	4.8%	4.6%
Others	24.2%	23.1%	24.5%

Hedge Book	Q2 FY21	Q1 FY21	Q2 FY20
GBP In Mn	278.0	292.0	299.0
Strike rate (INR)	100.6	100.4	98.6
USD In Mn	1,635.0	1,492.0	1,191.0
Strike rate (INR)	78.1	77.4	74.4
EUR In Mn	340.0	360.0	385.0
Strike rate (INR)	90.5	90.2	88.4



P&L in INR Mn	Q2 FY21	Q1 FY21	Q2 FY20	QoQ	YoY
Revenue From Operations	93,718	91,063	90,699	2.9%	3.3%
Cost of services	64,245	65,105	63,893	-1.3%	0.6%
Gross Profit	29,473	25,958	26,806	13.5%	9.9%
SGA	12,443	12,953	11,797	-3.9%	5.5%
EBIDTA	17,030	13,005	15,009	30.9%	13.5%
EBIDTA %	18.2%	14.3%	16.5%	3.9%	1.6%
Depreciation & Amortization	3,717	3,832	3,415	-3.0%	8.9%
EBIT	13,313	9,173	11,594	45.1%	14.8%
EBIT %	14.2%	10.1%	12.8%	4.1%	1.4%
Other income	1,175	4,161	2,163	-71.8%	-45.7%
Foreign Exchange (loss)/ gain	(356)	857	496		
Interest, Dividend & Misc. income	1,531	3,304	1,667		
Interest expense	399	503	383	-20.7%	4.3%
Share of profit /(loss) from associate	4	1	3		
Profit Before Tax	14,093	12,832	13,377	9.8%	5.3%
Provision for taxes	3,462	3,276	2,265	5.7%	52.8%
Profit After Tax	10,631	9,556	11,112	11.2%	-4.3%
Minority Interest	15	167	127		
Net Profit after tax (After Minority Interest)	10,646	9,723	11,239	9.5%	-5.3%
Net PAT %	11.4%	10.7%	12.4%	0.7%	-1.0%
EPS (In Rs)					
Basic	12.18	11.13	12.88	9.4%	-5.4%
Diluted	12.11	11.07	12.78	9.4%	-5.2%

Notes:

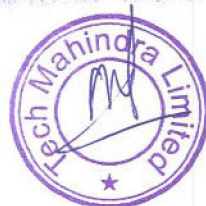
1. Figures rounded off to the nearest million.
2. Previous period figures have been regrouped/rearranged wherever necessary.



P&L in USD Mn	Q2 FY21	Q1 FY21	Q2 FY20	QoQ	YoY
Revenue From Operations	1,265.4	1,207.5	1,287.2	4.8%	-1.7%
Cost of services	867.3	863.3	907.8	0.5%	-4.5%
Gross Profit	398.1	344.1	379.4	15.7%	4.9%
SGA	168.1	171.7	167.6	-2.1%	0.2%
EBIDTA	230.0	172.4	211.8	33.4%	8.6%
EBIDTA %	18.2%	14.3%	16.5%	3.9%	1.7%
Depreciation & Amortization	50.2	50.8	48.5	-1.2%	3.5%
EBIT	179.8	121.6	163.3	47.9%	10.1%
EBIT %	14.2%	10.1%	12.8%	4.1%	1.4%
Other income	15.7	55.1	30.9	-71.6%	-49.3%
Foreign Exchange (loss)/ gain	(5.0)	11.3	7.1		
Interest, Dividend & Misc. income	20.6	43.7	23.8		
Interest expense	5.4	6.7	5.4	-19.2%	-1.1%
Share of profit /(loss) from associate	0.1	0.0	0.0		
Profit Before Tax	190.1	170.0	188.7	11.8%	0.8%
Provision for taxes	46.7	43.4	31.9	7.6%	46.2%
Profit After Tax	143.4	126.6	156.8	13.3%	-8.5%
Minority Interest	0.2	2.2	1.8		
Net Profit after tax (After Minority Interest)	143.7	128.8	158.6	11.5%	-9.4%
Net PAT %	11.4%	10.7%	12.4%	0.7%	-1.1%
EPS (In USD)					
Basic	0.16	0.15	0.18	11.4%	-10.1%
Diluted	0.16	0.15	0.18	11.4%	-10.0%

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. 10,646 Million up 9.5% 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 Interim Financial Results of Tech Mahindra Limited and its subsidiaries for the quarter and six months period ended September 30, 2020.

Rs. in Million except Earnings per share

Particulars	Quarter ended September 30, 2020	Six months period ended September 30, 2020	Quarter ended September 30, 2019
1 Total Revenue from Operations (Net)	93,718	184,781	90,699
2 Net Profit before Tax	14,093	26,925	13,377
3 Net Profit for the period after Tax (Share of the Owners of the Company)	10,646	20,369	11,239
4 Total Comprehensive Income for the Period (comprising Profit for the period after Tax and Other Comprehensive Income after Tax)	13,358	23,317	11,492
5 Equity Share Capital	4,362	4,362	4,353
6 Total Reserves	232,562	232,562	204,366
7 Earnings Per Equity Share (Rs.)			
- Basic	12.18	23.31	12.88
- Diluted	12.11	23.17	12.78

Additional information on standalone financial results is as follows:

Rs.in Million

Particulars	Quarter ended September 30, 2020	Six months period ended September 30, 2020	Quarter ended September 30, 2019
Revenue from Operations	74,044	145,691	70,970
Profit before Tax	12,576	23,595	14,852
Profit after Tax	9,615	18,157	13,963

Notes :

- The above is an extract of the detailed format of the Standalone and Consolidated Interim Financial Results for the quarter and six months period ended September 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 and six months period ended September 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 and six 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 October 23, 2020.
- The Board of Directors at its meeting held on October 23, 2020, has declared a special dividend of Rs. 15 per equity share on face value of Rs. 5/- (300%).
- The shareholders at the Annual General Meeting held on July 28, 2020 approved final dividend of Rs. 5 per equity share (total of Rs 4,831 Million) for the year ended March 31, 2020 which was subsequently paid during the quarter ended September 30, 2020. The amount was recognised as distributions to equity shareholders.
- 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 : October 23, 2020

Place : Mumbai

C. P. Gurnani
Managing Director & CEO

