

January 31, 2020

To,  
Listing Department,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400001.  
**Scrip Code : 532755**

Listing Department,  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5<sup>th</sup> floor, Plot No. – C/1, G  
Block, Bandra-Kurla Complex,  
Bandra (E), Mumbai – 400051.  
**NSE Symbol : TECHM**

**Sub: Outcome of Board Meeting held on January 31, 2020**

Dear Sir(s)

Pursuant to Regulation 33 read with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI Listing Regulations”) we wish to inform that the Board of Directors of the Company at its meeting held today approved the Audited financial results and consolidated financial results of the Company for the third quarter ended December 31, 2019, together with Auditors Report thereon.

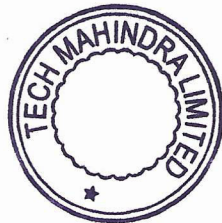
In this regard, please find enclosed:

1. Audited financial results and consolidated financial results of the Company for the third quarter ended December 31, 2019, 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

Revenues for the quarter at Rs. 96,546 Mn, up 7.9% over previous year

**Tech Mahindra Limited**

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

Consolidated Audited Financial Results for the quarter and nine months period ended December 31, 2019

	Particulars	Quarter ended			Nine months ended		Rs.in Million
		December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	Year ended March 31, 2019
1	Revenue from Operations	96,546	90,699	89,437	273,775	258,498	347,421
2	Other Income	3,496	2,163	806	9,072	3,671	5,342
3	Total Income (1 + 2)	100,042	92,862	90,243	282,847	262,169	352,763
4	EXPENSES						
	Employee Benefits Expense	47,905	47,057	45,182	139,971	132,008	175,079
	Subcontracting Expenses	15,766	13,687	10,900	41,650	31,758	43,497
	Finance Costs	550	383	358	1,387	1,051	1,332
	Depreciation and Amortisation Expense	3,848	3,415	2,836	10,476	8,588	11,292
	Other Expenses	17,242	14,946	16,129	48,371	47,750	65,476
	Total Expenses	85,311	79,488	75,405	241,855	221,155	296,676
5	Profit before share in profit/(loss) of associates and tax (3-4)	14,731	13,374	14,838	40,992	41,014	56,087
6	Share of Profit / (Loss) of Associates	5	3	(132)	(70)	(383)	(655)
7	Profit before Tax (5 + 6)	14,736	13,377	14,706	40,922	40,631	55,432
8	Tax Expense						
	Current Tax	3,737	2,064	2,135	9,435	9,517	13,786
	Deferred Tax	(108)	201	503	(223)	(508)	(1,242)
	Total Tax Expense	3,629	2,265	2,638	9,212	9,009	12,544
9	Profit after tax (7 - 8)	11,107	11,112	12,068	31,710	31,622	42,888
	Profit for the period attributable to:						
	Owners of the Company	11,459	11,239	12,029	32,291	31,651	42,976
	Non Controlling Interests	(352)	(127)	39	(581)	(29)	(88)
10	Other Comprehensive Income / (losses)						
	A. Items that will not be reclassified to Profit or Loss (net of taxes)	64	(74)	(108)	(88)	(91)	(136)
	B. Items that will be reclassified to Profit or Loss (net of taxes)	(415)	454	2,611	(297)	1,693	2,562
	Total Other Comprehensive Income (A+B)	(351)	380	2,503	(385)	1,602	2,426
11	Total Comprehensive Income (9 + 10)	10,756	11,492	14,571	31,325	33,224	45,314
	Total Comprehensive Income for the period attributable to:						
	Owners of the Company	11,044	11,643	14,578	31,848	33,137	45,376
	Non Controlling Interests	(288)	(151)	(7)	(523)	87	(62)
12	Paid-up Equity Share Capital (Face Value of Share Rs. 5)	4,356	4,353	4,425	4,356	4,425	4,437
13	Total Reserves						198,407
14	Earnings Per Equity Share (Rs)						
	(EPS for the quarter and nine months period ended are not annualised)						
	Basic	13.13	12.88	13.55	36.99	35.65	48.47
	Diluted	13.03	12.78	13.45	36.73	35.39	47.72

**Standalone Information**

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
Revenue from Operations	76,991	70,957	69,897	216,535	201,550	272,196
Profit before Tax	12,495	14,857	13,848	38,147	41,358	54,273
Profit after Tax	9,232	13,968	11,529	31,427	33,993	43,804

**Primary Segments**

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

**Segment wise Revenue, Results and Capital Employed**

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
<b>Segment Revenue</b>						
a) IT	87,067	82,245	81,895	247,883	238,158	319,235
b) BPO	9,479	8,454	7,542	25,892	20,340	28,186
<b>Total Sales / Income from operations</b>	<b>96,546</b>	<b>90,699</b>	<b>89,437</b>	<b>273,775</b>	<b>258,498</b>	<b>347,421</b>
<b>Segment Profit before tax, interest and depreciation</b>						
a) IT	14,052	13,984	15,800	40,048	42,841	58,138
b) BPO	1,581	1,025	1,426	3,735	4,142	5,231
<b>Total</b>	<b>15,633</b>	<b>15,009</b>	<b>17,226</b>	<b>43,783</b>	<b>46,983</b>	<b>63,369</b>
<b>Less:</b>						
(i) Finance costs	550	383	358	1,387	1,051	1,332
(ii) Other un-allocable expenditure, net off un-allocable income*	352	1,252	2,030	1,404	4,917	5,950
<b>Add:</b>						
(i) Share of Profit / (Loss) of Associates	5	3	(132)	(70)	(383)	(655)
<b>Profit before tax</b>	<b>14,736</b>	<b>13,377</b>	<b>14,706</b>	<b>40,922</b>	<b>40,631</b>	<b>55,432</b>

\*Pursuant to adoption of Ind AS-116, certain non-material allocable expenses in the previous year have been considered as unallocable in the current year.

*[Handwritten Signature]*



**Tech Mahindra Limited**

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

Statement of Segment Assets and Liabilities	December 31, 2019	September 30, 2019	December 31, 2018	March 31, 2019
<b>Segment Assets</b>				
Trade and Other Receivables				
IT	106,149	103,429	96,483	94,141
BPO	11,775	10,673	7,884	7,348
<b>Total Trade Receivables</b>	<b>117,924</b>	<b>114,102</b>	<b>104,367</b>	<b>101,489</b>
Goodwill				
IT	30,298	25,493	24,695	24,418
BPO	3,745	3,745	3,745	3,745
<b>Total Goodwill</b>	<b>34,043</b>	<b>29,238</b>	<b>28,440</b>	<b>28,163</b>
Unallocable Assets	204,528	194,638	193,372	204,817
<b>TOTAL ASSETS</b>	<b>356,495</b>	<b>337,978</b>	<b>326,179</b>	<b>334,469</b>
<b>Segment Liabilities</b>				
Unearned Revenue				
IT	2,475	2,086	2,972	2,453
BPO	21	1	34	39
<b>Total Unearned Revenue</b>	<b>2,496</b>	<b>2,087</b>	<b>3,006</b>	<b>2,492</b>
Advance from Customers				
IT	3,571	3,610	3,306	3,314
BPO	802	753	651	648
<b>Total Advance from Customers</b>	<b>4,373</b>	<b>4,363</b>	<b>3,957</b>	<b>3,962</b>
Unallocable Liabilities	124,513	117,617	106,156	120,394
<b>TOTAL LIABILITIES</b>	<b>131,382</b>	<b>124,067</b>	<b>113,119</b>	<b>126,848</b>

**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

**Notes :**

- 1 The quarterly and nine months period ended results have been reviewed by the Audit Committee and taken on record by the Board of Directors in its meeting held on January 31, 2020.
- 2 **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)'.
- 3 **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, considering possible outflow that may arise in said matter and pending the final disposal of legal proceedings in relation to disputes between Tech Mahindra Ltd and Venture Global LLC, the Board 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 Hon'ble High Court of Andhra Pradesh dated August 23, 2013 directing all parties to maintain status quo, the Board based on a legal opinion decided not to modify the contingency provision made in FY 2011-2012. Further, since the matter is sub-judice, as a matter of abundant caution sales commission for subsequent periods has been disclosed as a contingent liability amounting to Rs. 2,065 Million as on December 31, 2019 (March 31, 2019: Rs. 1,784 Million).  
**Preparation of Financial statements**  
 At the Annual General Meetings of SVES held on October 29, 2012, September 10, 2013, September 22, 2014, September 07, 2015, July 29, 2016, July 19, 2017, July 23, 2018 and July 23, 2019 one of the shareholders abstained from voting on the resolution for adoption of audited financial statements as at and for the years ended March 31, 2012, March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017, March 31, 2018 and March 31, 2019 respectively. In absence of unanimous consent of both the shareholders of SVES the said financials have not been approved by the shareholders. The financial statements as at and for the period ended December 31, 2019 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.
- 4 Tax expense for the nine months period ended December 31, 2019 is net of provision of Rs.2,133 Million of earlier periods, no longer required, written back. (Quarter ended "QE" December 31, 2019: Rs. 236 Million) (QE September 30, 2019: Rs. 1,848 Million) (QE December 31, 2018: Rs. 1,351 Million) (Nine months period ended December 31, 2018: Rs. 3,032 Million).  
 Tax expense for the year ended March 31, 2019 is net of provision of Rs. 3,032 Million of earlier periods, no longer required, written back.
- 5 Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives information have not been restated. The effect of adoption of this standard is not significant on the profit for the period and earnings per share.
- 6 The Company on July 30, 2019, through its wholly owned subsidiary Tech Mahindra (Americas) Inc. acquired 65 % stake in Mad\*Pow Media Solutions LLC for a upfront consideration of USD 16.71 Million (Rs. 1,151 Million). Further the subsidiary of the Company has entered into a binding agreement to purchase the balance 35% stake over the period of three-year ending March 31, 2022 for which financial liability as at December 31, 2019 amount to USD 11.52 Million (Rs. 793 Million).
- 7 The Company, pursuant to a share purchase agreement acquired 100% stake in Born Commerce Private Limited on November 25, 2019 for a consideration of USD 12 million (Rs. 873 Million). Further the Company through its wholly owned subsidiary Tech Mahindra Singapore Pte. Limited, acquired 100% stake in Born Singapore Pte. Limited on November 26, 2019 for an upfront consideration of USD 59 Million (Rs. 4,224 Million) and contingent consideration linked to financial performance of calendar year 2019.
- 8 The Company, on October 4, 2019, through its wholly owned subsidiary Tech Mahindra (Americas) Inc. acquired 100 % stake in Objectwise Consulting Group Inc. for an upfront consideration of CAD 2.25 Million (Rs. 121 Million).
- 9 **Emphasis of Matters**  
**The Emphasis of Matters in the Auditor's Report pertains to the following:**  
 (i) With relation to Note 2 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 3 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, 2019 have not been adopted by the members of that subsidiary in their respective annual general meetings in the absence of unanimous consent of both the shareholders in terms of the Articles of Association of the subsidiary company. The financial statements as at and for the period ended December 31, 2019 have been drawn up 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 in the financial statements as and when determined.
- 10 **Management response to Emphasis of Matters:**  
 With regard to the Emphasis of Matters stated in Note 9 above, there are no additional developments on Emphasis of Matters mentioned in Notes 2 and 3 above which require adjustments to the financial results.
- 11 The Financial Results have been made available to the Stock Exchanges where the Company's securities are listed and are posted on the Company's website at the web-link: (<https://www.techmahindra.com/investors/financials.aspx>).

Date : January 31, 2020  
 Place : Mumbai

C.P. Gurani  
 Managing Director & CEO



# B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011  
India

Telephone +91 (22) 4345 5300  
Fax +91 (22) 4345 5399

## INDEPENDENT AUDITORS' REPORT

### TO THE BOARD OF DIRECTORS OF TECH MAHINDRA LIMITED

#### Report on the audit of the Consolidated Financial Results

#### Opinion

We have audited the accompanying Statement of Consolidated Financial Results of Tech Mahindra Limited ("Holding company") and its subsidiaries (Holding company and its subsidiaries together referred to as "the Group") and its associates, for the quarter ended 31 December 2019 and year to date results for the period from 1 April 2019 to 31 December 2019 ("the Statement" or "consolidated financial results"), being submitted by the Holding company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

- a. includes the results of the entities listed in Annexure 1;
- b. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
- c. gives a true and fair view, in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of consolidated total comprehensive income (comprising of net profit and other comprehensive income/loss) and other financial information of the Group for the quarter ended 31 December 2019 and for the period from 1 April 2019 to 31 December 2019.

#### 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 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial results.

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



**Tech Mahindra Limited**  
**Independent Auditors' Report – 31 December 2019 (continued)**

**Emphasis of Matter**

- a) We draw attention to Note 2 of the consolidated financial results in respect of certain matters relating to erstwhile Satyam Computer Services Limited (“erstwhile Satyam”), amalgamated with the Parent with effect from April 1, 2011. The Parent’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 3 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 2019 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 interim financial statements as at and for the quarter and year to date period ended 31 December 2019 have been drawn up by incorporating the opening balances based on the above mentioned financial statements. Adjustments to the opening balances, if any, will be made once the abovementioned financial statements are adopted.

Our opinion is not modified in respect of these matters.

**Management’s and Board of Directors’ Responsibilities for the Consolidated Financial Results**

These quarterly consolidated financial results as well as the year to date consolidated financial results have been prepared on the basis of the consolidated interim financial statements.

The Management and the Holding Company’s Board of Directors are responsible for the preparation and presentation of these consolidated 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 and Board of Directors of the entities 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 entity 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 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 financial results by the Management and the Directors of the Holding Company, as aforesaid.



7

## Tech Mahindra Limited

### Independent Auditors' Report – 31 December 2019 (continued)

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

In preparing the consolidated financial results, the Management and the respective Board of Directors / Management of the entities included in the Group and of its associates are responsible for assessing the ability of each entity 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 Board of Directors / Management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors / Management of the entities included in the Group and of its associates are responsible for overseeing the financial reporting process of each entity.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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.



A handwritten signature or initials in black ink, located at the bottom right of the page.

## Tech Mahindra Limited

### Independent Auditors' Report – 31 December 2019 (*continued*)

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

- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated 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 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 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 financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

#### Other Matters

The consolidated financial results include the audited financial results of 59 subsidiaries, whose interim financial statements / financial information reflect total revenue (before consolidation adjustments) of Rs 29,496 million and Rs. 86,926 million and total net profit after tax (before consolidation adjustments) of Rs 1,565 million and Rs 3,713 million for the quarter ended 31 December 2019 and for the period from 1 April 2019 to 31 December 2019, respectively, as considered in the consolidated financial results, which have been audited by their respective independent auditors. The consolidated financial results also include the Group's share of net loss after tax (before consolidation adjustments) of Rs. 0.5 million and Rs. 80 million for the quarter ended 31 December 2019 and for the period from 1 April 2019 to 31 December 2019, respectively, as considered in the consolidated financial results, in respect of 4 associates, whose interim financial statements / financial information / financial results have been audited by their respective independent auditors. The independent auditors' reports on interim financial statements / financial information of these entities have been furnished to us by the Management and our opinion on the consolidated 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 paragraph above.





**Tech Mahindra Limited**  
**Independent Auditors' Report – 31 December 2019 (continued)**

**Other Matters (continued)**

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

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



**Jamil Khatri**  
*Partner*

Place: Mumbai  
Date: 31 January 2020

Membership No: 102527  
UDIN: 20102527AAAAAC8628

## Tech Mahindra Limited

### Independent Auditors' Report – 31 December 2019 (continued)

#### Annexure 1: List of entities consolidated as at and for the period ended 31 December 2019

##### i) List of subsidiaries:

1	Tech Mahindra (Americas) Inc.	36	Tech Mahindra (Shanghai) Co. Ltd
2	Tech Talenta Inc.	37	Tech Mahindra (Nanjing) Co. Ltd
3	FixStream Networks Inc. (Stake Divested on 30 September 2019)	38	Tech Mahindra Technologies, Inc.
4	Fixstream India Private Limited (Stake Divested on 30 September 2019)	39	The Bio Agency Ltd
5	Tech Mahindra GmbH	40	Tech Mahindra Vietnam Company Limited
6	TechM IT - Services GmbH	41	Citisoft Plc.,
7	Tech Mahindra Norway AS	42	Citisoft Inc.,
8	Tech Mahindra (Singapore) Pte Limited	43	Tech Mahindra Servicios De Informatica Ltda
9	Tech Mahindra (Thailand) Limited	44	Tech Mahindra De Mexico S.DE R.L.DE C.V
10	PT Tech Mahindra Indonesia	45	Satyam Venture Engineering Services Private Limited
11	Tech Mahindra ICT Services (Malaysia) SDN. BHD	46	Satyam Venture Engineering Services (Shanghai) Co Limited
12	Tech Mahindra (Beijing) IT Services Limited	47	Satven GmbH
13	Tech Mahindra (Nigeria) Limited	48	vCustomer Philippines Inc.,
14	Tech Mahindra (Bahrain) Limited. S.P.C.	49	vCustomer Philippines(Cebu), Inc.,
15	Tech Mahindra Business Services Limited	50	Mahindra Engineering Services (Europe) Limited
16	Tech Mahindra South Africa (Pty) Limited	51	Inter-Informatics, spol. s r.o.
17	Tech Mahindra Holdco Pty Limited	52	Inter-Informatics SRL
18	Tech Mahindra Japan Co., Ltd	53	TC Inter-Informatics a.s.
19	Mahindra Technologies Services Inc.	54	Comviva Technologies Singapore Pte. Ltd
20	Tech Mahindra DRC SARLU	55	Comviva Technologies FZ-LLC
21	NTH Dimension Ltd	56	Comviva Technologies B.V.
22	Tech Mahindra Arabia Limited	57	Comviva Technologies (Australia) Pty Ltd
23	Tech Mahindra Growth Factories Limited	58	Emagine International Pty Ltd
24	Tech Mahindra Canada Inc. (Incorporated on 18 June 2019)	59	Comviva Technologies Madagascar Sarlu
25	Tech Mahindra Netherlands B.V.	60	Terra Payment Services South Africa (RF) (PTY) Ltd
26	Tech Mahindra Sweden AB	61	Terra Payment Services (Netherlands) BV
27	Tech Mahindra LLC	62	Mobex Money Transfer Services Limited
28	Tech Mahindra Chile SpA	63	Leadcom Uganda Limited
29	Comviva Technologies Limited	64	Comviva Technologies (Argentina) S.A
30	Leadcom DRC SPRL	65	ATS Advanced Technology Solutions do Brasil Industria Comercio, Importacao e Exportacao Ltda
31	Comviva Technologies Nigeria Limited	66	Terra Payment Services (Uganda) Limited
32	Hedonmark (Management Services) Limited	67	Terra Payment Services (Tanzania) Limited
33	Terra Payment Services S.A.R.L (Senegal)	68	Terra Payment Services S.A.R.L (Congo B)
34	Terra Payment Services (Mauritius)	69	Comviva Technologies Colombia S.A.S
35	Terra Payment Services (India) Private Limited	70	Terra Payment Services S.A.R.L (DRC)



*[Handwritten signature]*

**Annexure 1: List of entities consolidated as at and for the period ended 31 December 2019 (continued)**

71	Terra Payment Services (UK) Limited	105	Terra Payment Services Botswana (Proprietary) Limited
72	Comviva Technologies Mexico, S de R.L. de C.V	106	Tech Mahindra Network Services International Inc.
73	YABX Technologies (Netherlands) B.V.	107	Tech Mahindra Network Services Belgium
74	Sofgen Holdings Limited	108	LCC Telecom GmbH
75	Tech-Mahindra Ecuador S.A	109	LCC Design and Deployment Services Ltd.
76	Tech-Mahindra S.A	110	LCC Italia s.r.l.
77	Sofgen Ireland Limited	111	LCC Network Services, B.V.
78	Sofgen Consulting AG	112	LCC North Central Europe, B.V.
79	Sofgen SA	113	LCC Europe B.V
80	Sofgen Africa Limited	114	LCC Telekomunikasyon Servis Limited
81	Leadcom Integrated Solutions Tanzania Ltd.	115	LCC United Kingdom Limited
82	Sofgen Sdn Bhd	116	LCC Deployment Services UK Limited
83	Sofgen Services Pte. Ltd.	117	LCC Wireless Communications Services Marox, SARLAU
84	Lightbridge Communications Corporation	118	LCC Middle East FZ-LLC
85	Tech-Mahindra Guatemala S.A	119	LCC Engineering & Deployment Services Misr, Ltd
86	Leadcom Integrated Solutions (L.I.S) Ltd.	120	Tech-Mahindra de Peru S.A.C.
87	Leadcom Ghana Limited	121	LCC Saudi Telecom Services, Ltd.
88	Leadcom Gabon S.A.	122	LCC Saudi Arabia Telecom Services Co. Ltd/Jordan WLL
89	Leadcom Integrated Solutions Rwanda Ltd.	123	LCC Muscat LLC
90	Leadcom Integrated Solutions Tchad SARL	124	Lightbridge Communications Corporations LLC
91	Leadcom Integrated Solutions (SPV) SAS	125	LCC do Brasil Ltda
92	STA Gabon	126	Tech-Mahindra Bolivia S.R.L.
93	STA Dakar	127	Tech-Mahindra Panama, S.A.
94	Societe deTelecommunications Africaine (STA) Abidjan	128	Tech Mahindra Costa Rica Sociedad Anonima
95	Coniber S.A.	129	Tech Mahindra Colombia S.A.S
96	Leadcom Integrated Solutions Myanmar Co. Ltd	130	Pininfarina of America Corp.
97	PF Holdings B.V.	131	Pininfarina Deutschland Holding GmbH
98	Pininfarina S.p.A.	132	Pininfarina Deutschland GmbH
99	Target Group Limited	133	Pininfarina Shanghai Co., Ltd
100	Target Servicing Limited	134	Pininfarina Engineering S.R.L
101	Target Financial Systems Limited	135	Tech Mahindra Fintech Holdings Limited
102	Elderbridge Limited	136	Target Topco Limited
103	Harlosh Limited	137	Target TG Investments Limited
104	Harlosh NZ Limited	138	HCI Group UK Limited



Handwritten signature or initials.

**Annexure 1: List of entities consolidated as at and for the period ended 31 December 2019 (continued)**

139	Tech Mahindra Healthcare Systems Holdings LLC	158	Dynacommerce Gmbh(Acquired on 9 May 2019)
140	Tech Mahindra Healthcare LLC	159	Rapid Commerce B.V. (Liquidated on 27 September 2019)
141	The CJS Solutions Group LLC	160	Mad*Pow Media Solutions, LLC (Acquired on 31 July 2019)
142	HCI Group Australia Pty Ltd	161	Objectwise Consulting Group Inc. (Acquired on 4 October 2019)
143	TML Benefit Trust	162	Comviva Technologies USA Inc (Incorporated on 05 November 2019)
144	Healthcare Clinical Informatics Ltd	163	Born Commerce Private Limited (Acquired on 25 November 2019)
145	High Resolution Consulting Limited (Dissolved effective from 2 April 2019)	164	Born Group Pte Limited (Acquired on 26 November 2019)
146	High Resolution Resourcing Limited (Dissolved effective from 2 April 2019)	165	Group FMG Holdings B.V. (Acquired on 26 November 2019)
147	HCI Group DMCC	166	Whitefields Holdings Asia Limited (Acquired on 26 November 2019)
148	Leadcom Integrated Solutions Kenya Limited	167	Born Japan Kabhushiki Kaisha (Acquired on 26 November 2019)
149	LCC Central America de Mexico SA de CV	168	Born Digital Sdn Bhd (Acquired on 26 November 2019)
150	LCC France SARL	169	Born Creative Commerce Group Inc. (Acquired on 26 November 2019)
151	LCC Wireless Communications Espana, SA	170	Born London Limited (Acquired on 26 November 2019)
152	LCC Networks Poland Sp.z.o.o	171	Born Group Inc (Acquired on 26 November 2019)
153	Leadcom Integrated Solutions International B.V.	172	Born Group HK Company Limited (Acquired on 26 November 2019)
154	Dynacommerce Holding B.V. (Acquired on 9 May 2019)	173	Comviva Technologies Myanmar Limited (Incorporated on 06 December 2019)
155	Dynacommerce B.V. (Acquired on 9 May 2019)		
156	Dynalean B.V. (Acquired on 9 May 2019)		
157	Dynacommerce India Private Limited (Acquired on 9 May 2019)		

**ii) List of Associates:**

1.	Avion Networks, Inc.	5	Goodmind S.r.l.
2.	SARL Djazatech	6	Signature S.r.l.
3.	EURL LCC UK Algerie	7	Vitaran Electronics Private Limited (from 8 April 2019)
4.	AltioStar Networks Inc. (till 26 April 2019)	8	Info Tek Software & Systems Private Limited (from 8 April 2019)



*[Handwritten signature]*

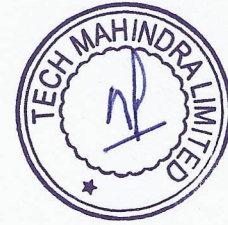
**Tech Mahindra Limited**

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

**Standalone Audited Financial Results for the quarter and nine months period ended December 31, 2019**

Particulars	Rs. in Million					
	Quarter ended			Nine months period ended		Year ended
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
1 Revenue from Operations	76,991	70,957	69,897	216,535	201,550	272,196
2 Other Income	2,896	5,801	814	11,085	6,678	9,601
3 Total Income (1 + 2)	79,887	76,758	70,711	227,620	208,228	281,797
4 EXPENSES						
Employee Benefit Expenses	23,579	23,510	21,547	69,491	62,411	84,440
Subcontracting Expenses	31,092	27,880	25,488	85,675	74,877	101,207
Finance Costs	157	120	129	398	328	431
Depreciation and Amortisation Expense	1,669	1,704	1,621	4,954	5,071	6,587
Other Expenses	10,895	8,687	8,078	28,955	24,183	34,859
Total Expenses	67,392	61,901	56,863	189,473	166,870	227,524
5 Profit before Tax (3 - 4)	12,495	14,857	13,848	38,147	41,358	54,273
6 Tax Expense						
Current Tax	3,448	787	1,877	7,199	7,542	10,652
Deferred Tax	(185)	102	442	(479)	(177)	(183)
Total Tax Expense	3,263	889	2,319	6,720	7,365	10,469
7 Profit after tax (5 - 6)	9,232	13,968	11,529	31,427	33,993	43,804
8 Other Comprehensive Income / (losses)						
A. Items that will not be reclassified to Profit or Loss (net of taxes)	56	(48)	(89)	(64)	(73)	(93)
B. Items that will be reclassified to Profit or Loss (net of taxes)	(1,648)	(35)	4,265	(1,464)	761	1,763
Total Other Comprehensive Income (A+B)	(1,592)	(83)	4,176	(1,528)	688	1,670
9 Total Comprehensive Income (7 + 8)	7,640	13,885	15,705	29,899	34,681	45,474
10 Paid-up Equity Share Capital (Face Value of Share Rs. 5)	4,827	4,824	4,905	4,827	4,905	4,917
11 Total Reserves						201,557
12 Earnings Per Equity Share (Rs)						
(EPS for the quarter and nine months ended periods is not annualised)						
- Basic	9.55	14.44	11.72	32.50	34.55	44.58
- Diluted	9.48	14.35	11.64	32.28	34.33	43.93

*Speech*



## Tech Mahindra Limited

Registered Office : Gateway Building, Apollo Bunder, Mumbai 400 001. Website : [www.techmahindra.com](http://www.techmahindra.com).

Email : [investor.relations@techmahindra.com](mailto:investor.relations@techmahindra.com). CIN : L64200MH1986PLC041370

Standalone Audited Financial Results for the quarter and nine months period ended December 31, 2019

### Notes :

- 1 The quarterly and nine months period ended results have been reviewed by the Audit Committee and taken on record by the Board of Directors in its meeting held on January 31, 2020.
- 2 **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)'.
- 3 Tax expense for the nine months period ended December 31, 2019 is net of provision of Rs.1,829 Million of earlier periods, no longer required, written back. (Quarter ended "QE" December 31, 2019: Rs. Nil) (QE September 30, 2019: Rs. 1,829 Million) (QE December 31, 2018: Rs. 1,351 Million) (Nine months period ended December 31, 2018: Rs. 3,018 Million). Tax expense for the year ended March 31, 2019 is net of provision of Rs. 3,018 Million of earlier periods, no longer required, written back.
- 4 Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives information have not been restated. The effect of adoption of this standard is not significant on the profit for the period and earnings per share.
- 5 The Company, pursuant to a share purchase agreement acquired 100% stake in Born Commerce Private Limited on November 25, 2019 for a consideration of USD 12 million (Rs.873 Million). Further the Company through its wholly owned subsidiary Tech Mahindra Singapore Pte. Limited, acquired 100% stake in Born Singapore Pte. Limited on November 26, 2019 for an upfront consideration of USD 59 Million (Rs. 4,224 Million) and contingent consideration linked to financial performance of calendar year 2019, payable by Tech Mahindra Singapore Pte.Limited.
- 6 **Emphasis of Matter**

**The Emphasis of Matter in the Auditors' Report pertains to the following:**

With relation to Note 2 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.
- 7 **Management response to Emphasis of Matter:**

With regard to the Emphasis of Matter stated in Note 6 above, there are no additional developments on Emphasis of Matter mentioned in Note 2 above which require adjustments to the financial results.
- 8 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/investors/financials.aspx>).

Date : January 31, 2020

Place : Mumbai

C. P. Gurnani

Managing Director & CEO



# BSR & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011  
India

Telephone +91 (22) 4345 5300  
Fax +91 (22) 4345 5399

## INDEPENDENT AUDITORS' REPORT

### TO THE BOARD OF DIRECTORS OF TECH MAHINDRA LIMITED

#### Report on the audit of the Standalone Financial Results

#### Opinion

We have audited the accompanying standalone financial results of Tech Mahindra Limited ("the Company") for the quarter ended 31 December 2019 and the year to date results for the period from 1 April 2019 to 31 December 2019 ("the standalone 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, these standalone 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 accounting standards and other accounting principles generally accepted in India of the net profit, other comprehensive income and other financial information for the quarter ended 31 December 2019 as well as the year to date results for the period from 1 April 2019 to 31 December 2019.

#### 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 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 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.

#### Emphasis of Matter

We draw attention to note 2 of the standalone financial results in respect of certain matters relating to erstwhile Satyam Computer Services Limited ("erstwhile Satyam"), amalgamated with the Company with effect from 1 April 2011. The Company's management, on the basis of current legal status and external legal opinion, has concluded that claims made by 37 companies in the City Civil Court for alleged advances amounting to Rs. 12,304 million, to erstwhile Satyam and presented separately under "Suspense account (net)", will not sustain on ultimate resolution by the Court as explained in the aforesaid note.

Our opinion is not modified in respect of this matter.

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

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



## Tech Mahindra Limited

### Independent Auditors' Report – 31 December 2019 (continued)

#### Management's and Board of Directors' Responsibilities for the Standalone Financial Results

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

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

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

- Identify and assess the risks of material misstatement of the standalone 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 standalone financial results made by the Management and Board of Directors.



✍



**Tech Mahindra Limited**

**Independent Auditors' Report – 31 December 2019 (continued)**

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

- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



**Jamil Khatri**  
Partner

Place: Mumbai  
Date: 31 January 2020

Membership No.102527  
UDIN: 20102527AAAAAD3039



Connected World. Connected Experiences.

## Tech Mahindra Q3 Revenue Up 5.1% QoQ

Strong Q3 New Deal Wins at US \$ 1.23 Bn

Acquires majority stake in Cerium

**Mumbai - January 31<sup>st</sup>, 2020:** [Tech Mahindra](#) Ltd., a specialist in digital transformation, consulting and business reengineering services today announced the audited consolidated financial results for its third quarter ended December 31<sup>st</sup>, 2019.

### Financial highlights for the quarter (₹)

- Revenue at ₹ 9,655 crore; up 6.4% QoQ
- EBITDA at ₹ 1,563 crore; up 4.2% QoQ;
  - Margins at 16.2%; down 30bps QoQ
- Profit after tax (PAT) at ₹ 1,146 crore; up 2.0% QoQ
- Earnings per share (EPS) was at ₹ 13.13

### Financial highlights for the quarter (USD)

- Revenue at USD 1,353.0 mn; up 5.1% QoQ
  - Revenue growth at 4.3% in constant currency terms
  - Digital revenues grew 10.6% QoQ, at 41% of Revenues
- EBITDA at USD 219.0 mn; up 3.4% QoQ
- Consolidated PAT at USD 160.6 mn, up 1.3% QoQ

### Other Highlights

- Total headcount at 130,839; down 683 QoQ





# Connected World. Connected Experiences.

**CP Gurnani, Managing Director & Chief Executive Officer, Tech Mahindra, said,** “This is a quarter of strong growth across our Communications and Enterprise businesses. We continue to win marquee deals and are well poised to capitalize on new market opportunities with technology shifts like 5G, which continues to be a key focus area in the year ahead.”

**Manoj Bhat, Chief Financial Officer, Tech Mahindra, said,** “We have witnessed substantial operational and financial metrics improvement with healthy cash flow generation this quarter. We continue to invest in emerging technologies and streamline delivery as we ready ourselves for the next phase of growth.”

## Key Wins:

- Tech Mahindra has signed a multi-year Managed Services deal with a global financial services leader in Insurance and Annuities. The engagement includes Managing Applications, Cloud and IT Infrastructure across multiple geographies, while improving efficiencies through Automation and Artificial Intelligence-based operations.
- Engaged by a logistics service company in UK as a technology modernization partner digitizing their massive operational landscape.
- Selected by an APAC telco to enable Digital Operations by driving Automation, Artificial Intelligence and Machine Learning initiatives and simplification of application stack.
- Engaged by one of the world's leading player in sustainable and innovative fiber solutions to extend IT and Infra Managed Services for its recent acquisitions.
- Selected by a US multinational conglomerate to develop SAP Cloud platform based applications across its businesses.
- Signed a deal with a leading US based telco to enhance customer experience for wireless customers.
- Engaged by an American Healthcare Provider for IT modernization and infrastructure managed services.





# Connected World. Connected Experiences.

- Enhanced engagement with Leading US based Telco in core mobility solutions.
- Engaged by a Global Financial Services Technology Company for its Network service modernization and management.
- Signed a deal with a leading Australian bank for Digital transformation and rationalization of their technology stack.

## Acquisition:

Tech Mahindra announced the acquisition of a 70% stake in Bangalore headquartered Cerium Systems. Cerium will boost the company's Engineering Services practice in VLSI (Very Large Scale Integration) and Embedded Software.

**Vivek Agarwal, Head of Corporate Development and Portfolio Companies, Tech Mahindra, said,** "We continue to invest in niche digital assets complementing our service offerings. Cerium provides cutting edge solutions with a strong foothold in global semiconductor industry."

## Business Highlights

- Tech Mahindra has launched 5G-enabled Solution to Build Wireless and Secure 'Factory of the Future', in line with the industry 4.0 goals.
- Tech Mahindra has collaborated with InMobi to Offer Industry's First Video Advertising Solution for telecom providers, media and entertainment companies.
- Tech Mahindra has collaborated with Quantoz, Netherlands-based innovative Blockchain technology application incubator to offer Blockchain-as-a-Service for secure digital payments.
- Tech Mahindra has signed a Memorandum of Understanding with Business Finland for research and development in 5G and 6G.
- Tech Mahindra has signed a Memorandum of Understanding with Government of Bangladesh to foster growth of digital startup ecosystem in the country,
- Tech Mahindra collaborates with Atidot, an Israel based InsurTech to offer Artificial Intelligence enabled solution for Life Insurance companies.





- Tech Mahindra has set up its first development center in Timișoara, Romania to focus on networks transformation for key clients in Europe by leveraging 5G technology and state-of-the-art frameworks.
- Tech Mahindra has signed a Memorandum of Understanding (MoU) with College of Engineering and Technology (CET), Bhubaneswar to set up a Center of Excellence (CoE) based on Artificial Intelligence.
- Tech Mahindra announced a partnership with Mahindra TEQO (Technology, Quality and Operations), the newly formed renewable energy asset management company, to create digital solutions for the global renewable energy industry.
- Tech Mahindra has entered into a global strategic alliance with Celonis, a leader in Process Excellence software, to drive enterprise performance.

#### **Awards and Recognitions:**

- Tech Mahindra has been recognized amongst “Most Valuable Digital Transformation Companies in 2019” by a global business magazine, CIOLook
- Tech Mahindra’s CEO, CP Gurnani wins the Business today’s Best CEO award in IT & ITES, 2019 for the third consecutive year.
- Tech Mahindra’s CSR arm, TMF received ASSOCHAM Skilling India Awards 2018.
- Tech Mahindra has emerged as a runner up in the “Digital Solution of the Year” category at the Express I.T Awards organized by Financial Express.
- Tech Mahindra’s Business Process Arm Recognized as a ‘Leader’ in NelsonHall 2019 NEAT Evaluation for Customer Experience Services in Retail and Consumer Packaged Goods (CPG) industry.
- Tech Mahindra received IDC insight award for its Facial Recognition System.
- Tech Mahindra, Middle East Africa (MEA) has been awarded the 2019 Middle Eastern Managed Infrastructure Services Company of the Year by Frost & Sullivan.





## 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 4.9 billion company with 130,800+ professionals across 90 countries, helping 964 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 is the highest ranked Non-U.S. company in the Forbes Global Digital 100 list (2018) and in the Forbes Fab 50 companies in Asia (2018).

We are part of the USD 21 billion Mahindra Group that employs more than 200,000 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](http://www.techmahindra.com) || Our Social Media Channels



For Further Queries:

### Kaustubh Vaidya

Head – Investor Relations

Phone: +91 98208 91860

Email: [kaustubh.vaidya@techmahindra.com](mailto:kaustubh.vaidya@techmahindra.com)

### Kavya Bagga

Investor Relations

Phone: +91 70660 07951

Email: [kavya.bagga@techmahindra.com](mailto:kavya.bagga@techmahindra.com)

[investor.relations@techmahindra.com](mailto:investor.relations@techmahindra.com)

### Tuhina Pandey

Head – Corporate Communications & Public Affairs

Phone: +91 98204 97890

Email: [tuhina.pandey@TechMahindra.com](mailto:tuhina.pandey@TechMahindra.com)

### Abhilasha Gupta

Corporate Communications & Public Affairs

Phone: +91 9717946080

Email: [abhilasha.gupta@TechMahindra.com](mailto:abhilasha.gupta@TechMahindra.com)

[Media.relations@techmahindra.com](mailto: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.



## Connected World. Connected Experiences.

Audited consolidated financial results for the quarter ended Dec 31, 2019 drawn under IND AS

## Consolidated Income Statement

(₹ Mn)

Particulars	Quarter Ending		
	Dec-19	Sep-19	Dec-18
<b>Revenue</b>	<b>96,546</b>	<b>90,699</b>	<b>89,437</b>
Cost of Services	67,312	63,893	59,845
<b>Gross Profit</b>	<b>29,234</b>	<b>26,806</b>	<b>29,592</b>
SG&A	13,601	11,797	12,366
<b>EBITDA</b>	<b>15,633</b>	<b>15,009</b>	<b>17,226</b>
Other Income	3,496	2,163	806
Interest Expense	550	383	358
Depreciation & Amortization	3,848	3,415	2,836
Share of profit / (loss) from associate	5	3	(132)
<b>Profit before Tax</b>	<b>14,736</b>	<b>13,377</b>	<b>14,706</b>
Provision for taxes	3,629	2,265	2,638
Minority Interest	352	127	(39)
<b>Profit after Tax</b>	<b>11,459</b>	<b>11,239</b>	<b>12,029</b>
<b>EPS (₹ / share)</b>			
Basic	13.13	12.88	13.55
Diluted	13.03	12.78	13.45



Tech Mahindra Limited Consolidated Fact Sheet Data.  
P&L Summary (Rs in Mn)

Particulars	FY 2018-19					FY 2019-20		
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3
Revenue From Operations	82,763	86,298	89,437	88,923	347,421	86,530	90,699	96,546
Cost of services	57,340	56,923	59,845	59,482	233,590	61,642	63,893	67,312
<b>Gross Profit</b>	<b>25,423</b>	<b>29,375</b>	<b>29,592</b>	<b>29,441</b>	<b>113,831</b>	<b>24,888</b>	<b>26,806</b>	<b>29,234</b>
SGA	11,854	13,188	12,366	13,054	50,462	11,747	11,797	13,601
<b>EBIDTA</b>	<b>13,569</b>	<b>16,187</b>	<b>17,226</b>	<b>16,387</b>	<b>63,369</b>	<b>13,141</b>	<b>15,009</b>	<b>15,633</b>
EBIDTA %	16.4%	18.8%	19.3%	18.4%	18.2%	15.2%	16.5%	16.2%
Depreciation & Amortization	2,808	2,944	2,836	2,704	11,292	3,213	3,415	3,848
<b>EBIT</b>	<b>10,761</b>	<b>13,243</b>	<b>14,390</b>	<b>13,683</b>	<b>52,077</b>	<b>9,928</b>	<b>11,594</b>	<b>11,785</b>
EBIT %	13.0%	15.3%	16.1%	15.4%	15.0%	11.5%	12.8%	12.2%
<b>Other income</b>	<b>1,114</b>	<b>1,751</b>	<b>806</b>	<b>1,671</b>	<b>5,342</b>	<b>3,413</b>	<b>2,163</b>	<b>3,496</b>
Foreign Exchange (loss)/ gain	147	501	(779)	252	121	1,018	496	1,435
Interest, Dividend & Misc. income	967	1,250	1,585	1,419	5,221	2,395	1,667	2,061
<b>Interest expense</b>	<b>305</b>	<b>388</b>	<b>358</b>	<b>281</b>	<b>1,332</b>	<b>454</b>	<b>383</b>	<b>550</b>
Share of profit/(loss) from associate	(118)	(133)	(132)	(272)	(655)	(78)	3	5
<b>Profit Before Tax</b>	<b>11,452</b>	<b>14,473</b>	<b>14,706</b>	<b>14,801</b>	<b>55,432</b>	<b>12,809</b>	<b>13,377</b>	<b>14,736</b>
Provision for taxes	2,457	3,914	2,638	3,535	12,544	3,318	2,265	3,629
<b>Profit After Tax Before Minority Interest</b>	<b>8,995</b>	<b>10,559</b>	<b>12,068</b>	<b>11,266</b>	<b>42,888</b>	<b>9,491</b>	<b>11,112</b>	<b>11,107</b>
Minority Interest	(16)	84	(39)	59	88	102	127	352
<b>Net Profit After Minority Interest (Share of the Owners of the Company)</b>	<b>8,979</b>	<b>10,643</b>	<b>12,029</b>	<b>11,325</b>	<b>42,976</b>	<b>9,593</b>	<b>11,239</b>	<b>11,459</b>
<b>PAT % (Share of the Owners of the Company)</b>	<b>10.8%</b>	<b>12.3%</b>	<b>13.4%</b>	<b>12.7%</b>	<b>12.4%</b>	<b>11.1%</b>	<b>12.4%</b>	<b>11.9%</b>
<b>EPS (In Rs)</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>
Basic	10.12	11.99	13.55	12.77	48.47	10.98	12.88	13.13
Diluted	10.07	11.93	13.45	12.58	47.72	10.89	12.78	13.03
<b>Total Headcount (As at period-end)</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>		<b>Q1</b>	<b>Q2</b>	<b>Q3</b>
Software professionals	72,462	72,534	71,785	71,477		74,093	72,597	73,079
BPO professionals	34,700	39,407	43,439	43,081		45,000	52,193	51,096
Sales & support	6,390	6,450	6,618	6,524		6,680	6,732	6,664
<b>Total Headcount</b>	<b>113,552</b>	<b>118,391</b>	<b>121,842</b>	<b>121,082</b>		<b>125,773</b>	<b>131,522</b>	<b>130,839</b>
IT Attrition % (LTM) #	19%	20%	21%	21%		21%	21%	20%
IT Utilization % #	81%	81%	82%	82%		80%	82%	84%
IT Utilization % (Excluding Trainees) #	84%	83%	83%	82%		82%	83%	85%
<b>Revenue By Geography % (Quarter Ended)</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>LTM</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>
Americas	48.2%	47.0%	47.4%	46.4%	47.2%	47.6%	48.5%	48.4%
Europe	30.0%	29.6%	28.9%	28.6%	29.3%	27.6%	26.7%	27.0%
Rest of world	21.9%	23.4%	23.7%	24.9%	23.5%	24.8%	24.9%	24.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Revenue By Industry % (Quarter Ended)</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>LTM</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>
Communication	39.6%	41.5%	41.1%	42.7%	41.2%	42.0%	41.1%	42.6%
Manufacturing	20.1%	20.1%	20.5%	20.2%	20.2%	19.4%	18.0%	17.3%
Technology, Media & Entertainment	7.2%	7.3%	7.0%	7.5%	7.2%	7.6%	8.1%	7.6%
Banking, Financial services & Insurance	13.6%	13.5%	13.4%	13.1%	13.4%	12.8%	13.0%	13.2%
Retail, Transport & Logistics	6.1%	6.5%	6.7%	6.4%	6.4%	6.2%	7.0%	7.2%
Others	13.4%	11.2%	11.3%	10.2%	11.5%	11.9%	12.8%	12.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>No. of Active Clients &amp; % of Repeat Business</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>
No. of Active Clients	926	930	935	938		941	946	964
% of Repeat Business	98.5%	97.4%	94.6%	88.7%	94.8%	97.7%	94.8%	91.3%







## Tech Mahindra Limited Consolidated Fact Sheet Data.

Particulars	FY 2018-19					FY 2019-20		
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3
<b>No. of Million \$ Clients</b>								
≥ \$1 million clients	396	407	416	425		429	437	446
≥ \$5 million clients	154	157	157	156		160	155	164
≥ \$10 million clients	86	86	88	83		81	80	83
≥ \$20 million clients	47	45	46	50		49	49	50
≥ \$50 million clients	16	17	18	20		21	22	22
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>		<b>Q1</b>	<b>Q2</b>	<b>Q3</b>
Top 5	21.9%	23.3%	22.6%	22.8%	22.7%	21.4%	21.6%	22.3%
Top 10	32.5%	32.7%	31.6%	32.0%	32.2%	30.7%	31.5%	31.0%
Top 20	46.2%	45.6%	44.0%	45.1%	45.2%	43.6%	43.6%	42.1%
<b>On/Off Break-up in % (IT Business Revenue)</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>
Onsite	66.6%	64.5%	65.5%	65.2%	65.4%	65.3%	65.4%	65.3%
Offshore	33.4%	35.5%	34.5%	34.8%	34.6%	34.7%	34.6%	34.7%
<b>Rupee USD Rate</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>		<b>Q1</b>	<b>Q2</b>	<b>Q3</b>
Period closing rate	68.47	72.49	69.77	69.16		69.02	70.87	71.38
Period average Rate	67.51	70.68	71.11	70.32		69.42	70.35	71.35
<b>Proportion of Revenues From Major Currencies</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>
USD	49.3%	48.0%	47.7%	47.8%	48.2%	48.3%	50.2%	50.0%
GBP	11.6%	11.2%	11.1%	12.3%	11.6%	11.5%	11.2%	11.8%
EUR	11.4%	11.4%	11.0%	10.2%	11.0%	9.9%	9.5%	9.4%
AUD	4.8%	4.9%	5.1%	4.8%	4.9%	5.3%	4.6%	4.5%
Others	22.9%	24.5%	25.1%	26.9%	24.8%	25.0%	24.7%	24.3%
<b>Hedge Book</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>		<b>Q1</b>	<b>Q2</b>	<b>Q3</b>
GBP In Mn	213.0	190.0	171.0	233.0		275.0	299.0	313.0
Strike rate (INR)	95.1	97.0	98.5	99.7		99.1	98.6	99.1
USD In Mn	894.0	1,069.0	1,084.0	934.0		961.0	1,191.0	1,071.0
Strike rate (INR)	70.7	71.9	72.8	72.9		73.5	74.4	75.0
EUR In Mn	228.0	220.0	202.0	293.0		361.0	385.0	392.0
Strike rate (INR)	85.9	87.4	88.6	88.8		88.2	88.4	88.7
<b>Receivable Days (DSO)-Including Unbilled</b>	108	112	107	102		110	114	112
<b>Borrowings *</b>	24,868	25,610	22,044	19,955		20,439	22,066	20,619
<b>Cash and Cash Equivalent</b>	84,130	78,999	87,340	96,920		83,927	75,581	82,369
<b>Capital Expenditure (Quarter Ended)</b>	1,868	1,507	2,245	2,050	7,669	2,044	2,185	2,267

**Notes :**

- 1) Figures rounded off to the nearest million.
- 2) Previous period figures have been regrouped/rearranged wherever necessary.
- 3) # Metrics for Organic business
- 4) \* Borrowings exclude lease obligation on right-of-use (ROU) assets, created as per Ind AS 116 new accounting standard on Leases .
- 5) Q3 FY 20 results includes a) Result of Born Commerce Private Limited and Born Singapore Pte Ltd, which was acquired as subsidiary , effective 25th Nov 19 and 26th Nov 19 respectively and b) Result of Objectwise Consulting Group Inc. , which was acquired as subsidiary , effective 04th Oct 19.



Tech Mahindra Limited Consolidated Fact Sheet Data.  
P&L Summary (US\$ in Mn)

Particulars	FY 2018-19					FY 2019-20		
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3
<b>Revenue From Operations</b>	<b>1,224.1</b>	<b>1,218.2</b>	<b>1,260.8</b>	<b>1,267.5</b>	<b>4,970.5</b>	<b>1,247.1</b>	<b>1,287.2</b>	<b>1,353.0</b>
Cost of services	849.1	805.3	842.2	846.8	3,343.4	888.0	907.8	943.5
<b>Gross Profit</b>	<b>375.0</b>	<b>412.9</b>	<b>418.5</b>	<b>420.7</b>	<b>1,627.2</b>	<b>359.1</b>	<b>379.4</b>	<b>409.5</b>
SGA	175.4	186.1	173.9	185.9	721.3	169.2	167.6	190.5
<b>EBIDTA</b>	<b>199.6</b>	<b>226.9</b>	<b>244.7</b>	<b>234.8</b>	<b>905.9</b>	<b>190.0</b>	<b>211.8</b>	<b>219.0</b>
<b>EBIDTA %</b>	<b>16.4%</b>	<b>18.8%</b>	<b>19.3%</b>	<b>18.4%</b>	<b>18.2%</b>	<b>15.2%</b>	<b>16.5%</b>	<b>16.2%</b>
Depreciation & Amortization	41.5	41.6	39.8	38.5	161.4	46.3	48.5	53.9
<b>EBIT</b>	<b>158.1</b>	<b>185.3</b>	<b>204.9</b>	<b>196.3</b>	<b>744.5</b>	<b>143.6</b>	<b>163.3</b>	<b>165.0</b>
<b>EBIT %</b>	<b>13.0%</b>	<b>15.3%</b>	<b>16.1%</b>	<b>15.4%</b>	<b>15.0%</b>	<b>11.5%</b>	<b>12.8%</b>	<b>12.2%</b>
<b>Other income</b>	<b>16.4</b>	<b>25.1</b>	<b>11.1</b>	<b>23.6</b>	<b>76.2</b>	<b>49.2</b>	<b>30.9</b>	<b>49.1</b>
Foreign Exchange (loss)/ gain	2.3	7.4	(11.2)	3.4	1.9	14.7	7.1	20.1
Interest, Dividend & Misc. income	14.1	17.7	22.3	20.1	74.3	34.6	23.8	29.0
<b>Interest expense</b>	<b>4.6</b>	<b>5.5</b>	<b>5.0</b>	<b>4.0</b>	<b>19.0</b>	<b>6.5</b>	<b>5.4</b>	<b>7.7</b>
Share of profit/(loss) from associate	(1.7)	(1.8)	(1.9)	(3.9)	(9.4)	(1.1)	0.0	0.1
<b>Profit Before Tax</b>	<b>168.2</b>	<b>203.1</b>	<b>209.1</b>	<b>212.0</b>	<b>792.4</b>	<b>185.2</b>	<b>188.7</b>	<b>206.5</b>
Provision for taxes	36.1	54.8	37.4	50.6	179.0	48.0	31.9	50.9
<b>Profit After Tax Before Minority Interest</b>	<b>132.1</b>	<b>148.3</b>	<b>171.7</b>	<b>161.4</b>	<b>613.4</b>	<b>137.2</b>	<b>156.8</b>	<b>155.6</b>
Minority Interest	(0.2)	1.2	(0.6)	0.9	1.3	1.5	1.8	4.9
<b>Net Profit After Minority Interest (Share of the Owners of the Company)</b>	<b>131.8</b>	<b>149.4</b>	<b>171.1</b>	<b>162.3</b>	<b>614.6</b>	<b>138.7</b>	<b>158.6</b>	<b>160.6</b>
<b>PAT % (Share of the Owners of the Company)</b>	<b>10.8%</b>	<b>12.3%</b>	<b>13.4%</b>	<b>12.7%</b>	<b>12.4%</b>	<b>11.1%</b>	<b>12.4%</b>	<b>11.9%</b>
<b>EPS (In USD)</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>
Basic	0.15	0.17	0.19	0.18	0.69	0.16	0.18	0.18
Diluted	0.15	0.17	0.19	0.18	0.69	0.16	0.18	0.18
<b>Receivable Days (DSO)-Including Unbilled</b>	<b>108</b>	<b>112</b>	<b>107</b>	<b>102</b>		<b>110</b>	<b>114</b>	<b>112</b>
<b>Borrowings *</b>	<b>363.2</b>	<b>353.3</b>	<b>316.0</b>	<b>288.5</b>		<b>296.1</b>	<b>311.4</b>	<b>288.9</b>
<b>Cash and Cash Equivalent</b>	<b>1,228.7</b>	<b>1,089.8</b>	<b>1,251.8</b>	<b>1,401.4</b>		<b>1,216.0</b>	<b>1,066.5</b>	<b>1,154.0</b>
<b>Capital Expenditure (Quarter Ended)</b>	<b>27.7</b>	<b>21.3</b>	<b>31.6</b>	<b>29.2</b>	<b>109.7</b>	<b>29.4</b>	<b>31.1</b>	<b>31.8</b>

**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
- 4) \* Borrowings exclude lease obligation on right-of-use (ROU) assets, created as per Ind AS 116 new accounting standard on Leases .
- 5) Q3 FY 20 results includes a) Result of Born Commerce Private Limited and Born Singapore Pte Ltd, which was acquired as subsidiary , effective 25th Nov 19 and 26th Nov 19 respectively and b) Result of Objectwise Consulting Group Inc. , which was acquired as subsidiary , effective 04th Oct 19.





## Condensed Consolidated Interim Balance Sheet (Rs. in Million)

	As at December 31, 2019	As at March 31, 2019
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
(a) Property, Plant and Equipment	26,544	26,229
(b) Capital Work-in-Progress	1,341	2,763
(c) Right-of-Use Asset	11,491	-
(d) Investment Property	1,595	1,708
(e) Goodwill	34,043	28,163
(f) Intangible Assets	15,896	14,512
(g) Investment accounted using Equity method	180	361
(h) Financial Assets		
(i) Investments	2,055	7,159
(ii) Trade Receivables	66	63
(iii) Loans	44	43
(iv) Other Financial Assets	3,350	4,785
(i) Income Tax Assets (Net)	23,340	21,397
(j) Deferred Tax Assets (Net)	7,074	6,091
(k) Other Non-Current Assets	6,132	5,537
<b>Total Non - Current Assets</b>	<b>133,151</b>	<b>118,811</b>
<b>Current Assets</b>		
(a) Inventories	419	752
(b) Financial Assets		
(i) Investments	62,729	65,899
(ii) Trade Receivables	78,997	69,586
(iii) Cash and Cash Equivalents	17,902	20,427
(iv) Other Balances with Banks	1,192	3,160
(v) Other Financial Assets	35,081	29,064
(c) Other Current Assets	27,024	26,770
<b>Total Current Assets</b>	<b>223,344</b>	<b>215,658</b>
<b>Total Assets</b>	<b>356,495</b>	<b>334,469</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share Capital	4,356	4,437
(b) Other Equity	215,808	198,407
Equity Attributable to Owners of the Company	220,164	202,844
Non controlling Interest	4,949	4,777
<b>Total Equity</b>	<b>225,113</b>	<b>207,621</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	1,838	1,844
(ii) Lease liabilities	7,788	242
(iii) Other Financial Liabilities	3,489	3,009
(b) Provisions	6,530	5,801
(c) Deferred tax liabilities (Net)	467	11
(d) Other Non-Current Liabilities	232	325
<b>Total Non - Current Liabilities</b>	<b>20,344</b>	<b>11,232</b>
<b>Current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	18,781	11,961
(ii) Trade Payables	29,281	24,893
(iii) Lease liabilities	3,616	-
(iv) Other Financial Liabilities	13,422	34,726
(b) Other Current Liabilities	18,257	17,605
(c) Provisions	4,504	3,952
(d) Income Tax Liabilities (Net)	10,873	10,175
<b>Total Current Liabilities</b>	<b>98,734</b>	<b>103,312</b>
<b>Suspense Account (Net)</b>	<b>12,304</b>	<b>12,304</b>
<b>Total Equity and Liabilities and Suspense Account</b>	<b>356,495</b>	<b>334,469</b>





## Condensed Consolidated Interim Cash Flow Statement (Rs. in Million)

For the Period Ended  
December 31, 2019

<b>A Cash Flow from Operating Activities</b>	
Profit before Tax	40,922
Adjustments for :	
Depreciation and Amortisation Expense	10,476
(Reversal)/Allowances for Doubtful Receivables / Advances and Deposits and Bad Debts written off (net)	(310)
Share of (Profit) / Loss of Associates	70
Net (gain) / loss on disposal of Property, Plant and Equipment and Intangible Assets	12
Finance Costs	1,387
Unrealised Exchange (Gain) / Loss (net)	(989)
Share Based Payments to Employees	1,027
Interest Income	(1,985)
Rental Income	(281)
Dividend Income on Investments	(229)
Gain on Investments carried at fair value through profit and loss (net)	(1,623)
Gain on sale of subsidiary and dilution of Associate	(735)
	47,742
Changes in working capital	
Trade Receivables and Other Assets	(12,571)
Trade Payables, Other Liabilities and Provisions	5,028
	(7,543)
Cash generated from operating activities before taxes	40,199
Income taxes paid, net	(10,707)
<b>Net cash generated from operating activities (A)</b>	29,492
<b>B Cash Flow from Investing Activities</b>	
Purchase of Property, Plant and Equipment, Intangible Assets and Investment property	(6,486)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	17
Purchase of Mutual Funds, Debentures and Other Investments	(248,852)
Proceeds from sale / redemption of Mutual Funds, Debentures and Other Investments	260,095
Proceeds from sale of subsidiary	142
Payment for acquisition of business /associates , net of cash acquired	(5,156)
Rental Income	241
Fixed Deposit/ Margin Money Placed	(991)
Fixed Deposit/ Margin Money Realized	2,967
Interest income received	1,602
<b>Net cash generated from / (used in) investing activities (B)</b>	3,579
<b>C Cash Flow from Financing Activities</b>	
Proceeds from Issuance of Equity Shares from exercise of stock options	324
Payment of dividend (including dividend distribution tax thereon)	(14,684)
Buyback of equity shares	(17,879)
Proceeds from Long-Term Borrowings	1,789
Repayment of Long-Term Borrowings	(10,297)
Movement in Short-Term Borrowings (net)	7,932
Finance Costs paid	(1,323)
Repayment of lease liability	(1,889)
<b>Net cash (used in) financing activities (C)</b>	(36,027)
<b>Net (Decrease) in cash and cash equivalents during the period (D=A+B+C)</b>	(2,956)
Effect of exchange rate changes on cash and cash equivalents (E)	431
Cash and Cash Equivalents at the beginning of the period (F)	20,427
<b>Cash and Cash Equivalents at the end of the period (G=D+E+F)</b>	17,902



## Revenues for the quarter at Rs. 96,546 Mn, up 7.9% over previous year

Tech Mahindra Limited

Registered Office : Gateway Building, Apollo Bunder, Mumbai 400 001. Website : [www.techmahindra.com](http://www.techmahindra.com).

Email : [investor.relations@techmahindra.com](mailto:investor.relations@techmahindra.com). CIN : L64200MH1986PLC041370

Extract of Audited Consolidated Financial Results of Tech Mahindra Limited and its subsidiaries for the quarter and nine months period ended December 31, 2019.

Rs.in Million

Particulars	Quarter ended December 31, 2019	Nine months period ended December 31, 2019	Quarter ended December 31, 2018
1 Total Revenue from Operations (Net)	96,546	273,775	89,437
2 Net Profit before Tax	14,736	40,922	14,706
3 Net Profit for the period after Tax (Share of the Owners of the Company)	11,459	32,291	12,029
4 Total Comprehensive Income for the Period (comprising Profit for the period after Tax and Other Comprehensive Income after Tax)	10,756	31,325	14,571
5 Equity Share Capital	4,356	4,356	4,425
6 Total Reserves	215,808	215,808	203,470
7 Earnings Per Equity Share (Rs.)			
- Basic	13.13	36.99	13.55
- Diluted	13.03	36.73	13.45

### Additional information on standalone financial results is as follows:

Rs.in Million

Particulars	Quarter ended December 31, 2019	Nine months period ended December 31, 2019	Quarter ended December 31, 2018
Revenue from Operations	76,991	216,535	69,897
Profit before Tax	12,495	38,147	13,848
Profit after Tax	9,232	31,427	11,529

#### Notes :

- The above is an extract of the detailed format of the Standalone and Consolidated Financial Results for the quarter and nine months period ended December 31, 2019, 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 Financial Results for the quarter and nine months period ended December 31, 2019 are available on the Stock Exchange websites. ([www.nseindia.com](http://www.nseindia.com)/[www.bseindia.com](http://www.bseindia.com)) and the Company's website at the web-link: (<https://www.techmahindra.com/investors/financials.aspx>).
- The quarterly and nine months period ended results have been reviewed by the Audit Committee and taken on record by the Board of Directors in its meeting held on January 31, 2020.
- Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives information have not been restated. The effect of adoption of this standard is not significant on the profit for the period and earnings per share.
- 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](http://www.nseindia.com)/[www.bseindia.com](http://www.bseindia.com)) and the Company's website ([www.techmahindra.com](http://www.techmahindra.com)).

Date : January 31, 2020

Place : Mumbai

  
C. P. Gurnani  
Managing Director & CEO

