

DIRECTORS' REPORT

Your Directors present their Thirty Third Annual Report together with the audited accounts of your Company for the year ended March 31, 2020.

FINANCIAL RESULTS (STANDALONE)

(₹ in Million)

For the year ended March 31	2020	2019
Income	315,916	281,879
Profit before Interest, Depreciation and tax	60,663	61,289
Interest	(667)	(431)
Depreciation	(6,674)	(6,592)
Profit Before Tax	53,322	54,266
Provision for taxation	(7,977)	(10,469)
Profit after tax	45,345	43,797
Other Comprehensive Income	(3,234)	1,671
Balance brought forward from previous year	171,952	150,495
Additions*	-	8
Transition impact of Ind AS 116, net of tax (refer note 46 of financial statements)	(78)	-
Balance	171,874	150,503
Profit available for appropriation	217,130	194,309
Equity Dividends (Including tax on Dividends)	(27,522) ¹	(16,411) ²
Transfer to retained earnings on account of options lapsed	59	62
Others**	26	23
Transferred to Special Economic Zone re-investment reserve (net of utilisation)	(5,540)	(5,928)
Contractual Obligation for Buy back	-	(103)
Buyback of equity shares (refer note 18(v))	(132)	-
Balance carried forward	184,021	171,952

¹ Interim Dividend for the financial year ended March 31, 2020 and Final Dividend for the financial year ended March 31, 2019

² Final Dividend for the financial year ended March 31, 2018

* Tech Mahindra Growth Factories Limited and Dynacommerce India Private Ltd have been merged with the Company consequent to the schemes of merger by absorption approved by NCLT, Mumbai and Bengaluru (refer note No.33 to the financial statements)

**In FY 18-19 the business of Sofgen UK was transferred to Tech Mahindra UK Branch and Sofgen India Private Limited has been merged with Tech Mahindra Limited.

DIVIDEND

The Board of Directors on February 24, 2020 approved interim dividend of ₹ 10/- per equity shares (i.e. 200%) of ₹ 5/- each which was paid by the Company to the shareholders whose names were appearing in the Register of Members as on March 3, 2020 being the record date for the payment of dividend. Your Directors are pleased to recommend a final dividend of ₹ 5/- per Equity Share (100%), payable to those Shareholders whose names appear in the Register of Members as on the Book Closure Date. Thus the total dividend for FY 19-20 will be ₹ 15/- per share (300%) as against ₹ 14/- per share (280%) in FY 18-19.

Your Company has formulated a Dividend Policy as provided at "Annexure I" to this Report and the same is disclosed on the website of the Company at <https://www.techmahindra.com/investors/Dividend-Policy.pdf>

SHARE CAPITAL

During the financial year 2019-20, your Company's authorised capital increased from ₹ 7,932 million divided into 1,586,300,000 Equity Shares of ₹ 5 each to ₹ 8,337 million divided into 1,667,300,000 Equity Shares of ₹ 5 each. The said increase in authorised capital was consequent to the merger of Tech Mahindra Growth Factories Limited and Dynacommerce India Private Limited with Tech Mahindra Limited with the effective date of merger March 10, 2020.

The Board in February 2019 approved buyback of 20,585,000 equity shares of the Company representing approximately 2.09% of the total number of equity shares in the paid up capital of the Company, for an aggregate amount of ₹ 19,555.75 Million being 9.551% of the total paid up equity share capital and free

reserves of the company, at a price of ₹ 950/- per equity share from the existing shareholders of the Company on a proportionate basis under the Tender Offer method in accordance with the provisions of Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, the Companies Act, 2013 and rules made thereunder. It was completed on April 15, 2019 and in compliance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 and Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018 and framed thereunder the shares bought back were extinguished on April 17, 2019 by reducing the issued and paid up capital of the company.

As a result, the issued, subscribed and paid-up equity share capital decreased from ₹ 4,916.81 Million divided into 983,362,470 equity shares of ₹ 5/- each to ₹ 4,814 Million divided into 962,777,470 equity shares of ₹ 5/- each in the month of April 2019.

During the year under review, your Company allotted 3,074,894 equity shares on the exercise of stock options under various Employee Stock Option Plans. Consequently, the issued, subscribed and paid-up equity share capital has increased from ₹ 4,814 Million divided into 962,777,470 equity shares of ₹ 5/- each to ₹ 4,829 Million divided into 965,852,364 equity shares of ₹ 5/- each.

BUSINESS PERFORMANCE / FINANCIAL OVERVIEW

The Company believes in providing connected experiences, offering innovative and customer-centric information technology experiences, enabling Enterprises, Associates and the Society to Rise™. The company has more than 125,000 professionals in more than 90 countries, helping 973 global customers including many Fortune 500 companies. The company's convergent, digital, design experiences, innovation platforms and reusable assets connect across a number of technologies to deliver tangible business value and experiences to the stakeholders. Your company also focuses on sustainable business strategy, managing social and environmental impacts, while ensuring that corporate decisions lead to an equitable growth. As a result, Tech Mahindra is one of only 3 companies from India to be included in the DJSI World Index and one of the twelve Indian companies in the Emerging markets category.

During the Financial Year 2019-20, the Company's consolidated revenues increased to ₹ 368,677 Million from ₹ 347,421 Million in the previous year, a growth of

6.1% The geographic split of revenue is well balanced across regions, with 48.1% share from the Americas, 26.9% share from Europe and 25% from the Rest of the World.

The consolidated Profit including other income before Interest, Depreciation and Tax was at ₹ 66,955 Million, against ₹ 68,056 Million in the previous year.

The consolidated Profit after Tax, amounted to ₹ 38,974 Million as against ₹ 42,888 Million in the previous year.

In an age of regular technological disruption, Tech Mahindra is delivering value to its customers with its domain expertise and wide range of offerings in Blockchain, Machine Learning, Artificial Intelligence, Cloud, Cyber Security, Quantum computing and IoT combined with an intimate understanding of each customer and their objectives. The company has collaborated with industry leaders & start-ups, academia and partners under TechmNxt charter to provide customized yet simplified solutions to the customers.

IMPACT OF COVID-19

During the last quarter of the year under review the incidence of Covid-19 developed into a global pandemic. The directors have assessed the impact of Covid-19 on the business at the balance sheet date and there are no significant changes as of the balance sheet date. The company continues to provide the services to its customers, although some parts of the business have been disrupted due to the current lockdown conditions in most part of the world including India. Due to the worldwide uncertainty caused by Covid-19, and its potential to impact the company, the company has put in place mitigation plans to minimize the adverse impact on both revenue and profitability. However at this juncture it is difficult to assess the overall impact on the economy and your company.

There are no material changes or commitments affecting the financial position of the Company between the end of the financial year and the date of the report.

ACQUISITIONS

INFOTEK SOFTWARE & VITARAN

The Company, on April 9, 2019, announced the acquisition of 18.1% each of the share capital of M/s Infotek Software and Systems Private Limited (Infotek) and M/s Vitaran Electronics Private Limited (Vitaran). Infotek is engaged in trading of Radio Frequency Identification ("RFID") products and providing supporting installation and software maintenance services while Vitaran is

engaged in trading of RFID products which form part of access control systems. Tech Mahindra intends to leverage the RFID space in building a strong footprint in the asset monitoring, tracking and automated billing solutions space. Both the companies are based in India and will help expand Tech Mahindra's solution portfolio to cater to the smart city projects.

OBJECTWISE

The Company acquired 100% of the share capital of Objectwise Consulting Group Inc. through its wholly owned subsidiary viz., Tech Mahindra (Americas) Inc., for an equity value of CAD 2.25 Million. Objectwise is a Canadian entity with strong capabilities in implementation and support of PEGA software. The acquisition was completed on October 4, 2019.

MAD*POW

The Company announced the acquisition of majority stake in Mad*Pow Media Solutions, LLC (Mad*Pow) through its wholly owned subsidiary viz., Tech Mahindra (Americas) Inc., at a consideration of USD 28.23 Million for 100% shareholding of Mad*Pow. As per the terms of the agreement, 65% of the shares are acquired at closing of the transaction while the balance shares will be bought over the next 3 years linked to financial performance. Mad*Pow is a US-based entity engaged in providing user-centered design services to a wide range of clients throughout the United States. It has 70 employees including researchers, designers, strategists, creative technologists, psychologists, and creative thinkers. Mad*Pow is expected to bolster Tech Mahindra's capabilities in customer experience and digital transformation such as research and testing, experience strategy and service design, content strategy, data science and analytics and is in sync with Tech Mahindra's global digital charter. The acquisition was completed on July 31, 2019.

BORN GROUP

The Company acquired 100% stake in Born Group through its wholly owned subsidiary viz., Tech Mahindra (Singapore) Pte Ltd., for an enterprise value of USD 94.1 Million. Born Group is headquartered in New York and is the largest independent, integrated agency for strategy, creative content and commerce offerings with strong technology capabilities. The acquisition will enhance Tech Mahindra's transformation consulting capabilities through addition of creative and design skills, technology and analytics platforms and commerce expertise. The Company has offices in

London, Singapore, Hong Kong and India and has a strength of more than 1,100 employees. The acquisition was completed on November 26, 2019.

CERIUM

The Company announced acquisition of 70% stake in Cerium Systems Private Ltd., on January 31, 2020 an Indian entity with headquarter in Bangalore for an enterprise value not exceeding INR 2450 million. Subsequently on April 9, 2020, the Company changed terms to acquire 51% of share capital. The remaining 49% will be acquired over the next three years at a valuation linked to the financial performance of the Cerium. Cerium is an integrated circuit and embedded software design service provider and is expected to help bolster Tech Mahindra's capabilities in the areas of semiconductor design and testing, embedded software development/testing and product engineering. The Company also has offices in Santa Clara, CA and Penang, Malaysia along with Cochin and Vishakhapatnam (India) and has ~840 employees. The acquisition was completed on April 9, 2020.

ZEN3

The Company announced acquisition of 100% of the share capital of Zen3 Infosolutions (America) Inc. through its wholly owned subsidiary viz., Tech Mahindra (Americas), Inc, on February 24, 2020. Subsequently on April 9, 2020 the Company changed terms to acquire 100% of share capital for a cash consideration of USD 64 Million, out of which USD 35 Million is upfront, USD 4 Million will be paid over two years and USD 25 Million will be paid over 3 years linked to financial performance. Zen3 is a US-based company and a leading software solution group with strong capabilities in AI enablement services, AI Speech solutions, Cloud engineering, Software product engineering and DevOps. Zen3 has more than 1,300 employees across offices in Seattle, Dublin, Bengaluru, Hyderabad and Vishakhapatnam. The acquisition was completed on April 9, 2020.

DIVESTMENTS

SALE OF STAKE IN FIXSTREAM

The Company entered into an agreement to divest its entire 73.38% stake on August 18, 2019, equity investment in Fixstream Networks Inc., USA, a subsidiary company for a consideration of USD 2 Million. The turnover of Fixstream for the Financial Year 2018-2019 was USD 5.15 Million on which it incurred loss of USD 5.19 Million. The deal was concluded on September 30, 2019.

SALE OF INVESTMENT IN TERRA PAYMENT SERVICES

Comviva Technologies Ltd, a subsidiary of the Company, announced on March 2, 2020 sale of its 100% shareholding in Terra Payment Services (Netherlands) BV and Terra payment services South Africa RS Pty. Ltd. along with its subsidiaries for, an upfront payment of USD 9.0 Million and bonus pay-out upto USD 13.8 Million, subject to threshold and milestones. The turnover of Terra Payment Services for the Fiscal year ended March 31, 2019 was USD 2.3 Million.

DETAILS OF SUBSIDIARIES/JOINT VENTURES/ ASSOCIATE COMPANIES

The performance and financial position of the subsidiaries, associate companies and joint venture companies included in the consolidated financial statement is provided in accordance with the provisions of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014 containing the salient features of the financial statement of Company’s subsidiaries/joint ventures or associate companies in Form AOC – 1 in “Annexure II” to this report.

Pursuant to Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014, the names of the companies which have been incorporated or ceased to be the subsidiaries, joint ventures or associate companies during the year are provided in “Annexure III” to this report. The Company is actively pursuing the initiative on consolidation of its subsidiaries/branches to optimise the operational costs and reduce the compliance risks. During the year under review, your company has closed/merged 29 subsidiaries.

In terms of the provisions of Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, Tech Mahindra (Americas) Inc. is a wholly owned unlisted material subsidiary of the Company.

The policy for determining Material Subsidiaries formulated by the Board of Directors is disclosed on the Company’s website and is accessible on <https://www.techmahindra.com/investors/Policy-For-Determining-Material-Subsidiaries.pdf>

UPDATE ON MERGER

The Board of Directors at its meeting held on May 21, 2019 approved the Scheme of Merger by absorption of Tech Mahindra Growth Factories Limited (TMGFL) and Dynacommerce India Private Ltd (Dynacommerce) with the Company. Accordingly, the companies filed

the applications before Hon’ble National Company Law Tribunal (“NCLT”) Mumbai and Bengaluru respectively.

NCLT Mumbai and NCLT Bengaluru vide their order dated January 31, 2020 and February 28, 2020 respectively, approved the scheme of merger by absorption of the TMGFL and Dynacommerce with the Company and their respective shareholders. As per the Scheme, the appointed date for merger of TMGFL is April 1, 2019 and for Dynacommerce it is June 1, 2019. The Scheme of Amalgamation has become effective on March 10, 2020.

HUMAN RESOURCES

Your company has taken several initiatives in the development of human resources which are the main assets of the company. Some of the initiatives taken in this area are stated below:

#LOVETOBETECHM

In the year 2019-2020, the Company redefined its people policy to on-board the right talent, build their capability, create an innovation-centric work environment and promote inclusion. Each one of our Associates have played a major role in our transformation journey and have been responsible for living our culture and making a difference. This has nurtured a natural fondness and love between the Company and every Associate. Love sustains Associates through tough times and inspires them to give their best. The Company believes this appreciation, affection and pride for the Company expressed through #lovetoBeTechM has helped boost the image as a great place to work in.

LIVING THE CULTURE

Our unique culture of driving positive change, celebrating each moment and empowering all to Rise defines what the Company stands for as an organization and what differentiates and unites all of the Associates. Last year, the Company aligned all internal HR processes and practices to reflect the culture code.

HIRING & TRAINING

Hiring at the Company is “intentionally diverse” because of our belief in the saying “if you do not intentionally include, you unintentionally exclude.” Last year, the Company launched the UK & US Undergrads program to add global talent to our sales force. By starting a Young Leaders Program to hire ex-entrepreneurs, the Company has gained potential

leaders who use creative thinking “hacks” to help solve complex business issues, a skill often missing in traditionally trained Managers. The Company has also digitized the hiring processes by leveraging internal #NewAgeDelivery platform to match Demand Vs Resource Supply. Through proactive skilling programs for Associates approaching the end of their project assignment’s along with bench fests, the Company reduced deployable bench to 4.9% from 6.3% last year which is one of the best in the industry. Through this, the Company has increased internal fulfilment by 9.1% thus reducing dependency on external hiring.

INTENTIONALLY DIVERSE

The Company has made significant progress in its efforts to enhance its Diversity and Inclusion. The Company has also launched several initiatives for women like reserved parking slots and improved ergonomics at the workplace for expectant mothers, on campus crèche, extended work from home option amongst others. The Junior TechMighty program sends across a personalized gift to the new mother to convey wishes and assure her of the organization’s support even as she is away. We are also amongst the first to provide support for sexual reassignment survey and include same-sex partners in insurance coverage. Through these interventions at moments that matter, the Company is providing Associates the wellness and psychological safety net to contribute their best. The Company was amongst the only three Indian companies to be included in the Bloomberg 2020 Gender-Equality Index (GEI).

CONNECTED EXPERIENCES

The Company had continued to invest in tools and technologies to improve service delivery efficiency for HR services. During the year, self-service options for Associates and ex-Associates have been enhanced resulting in significant reduction in service request volumes. The Company continues to leverage Robotic Process Automation (RPA) technology to improve service delivery and introduce new services. The “Dove” mobile application is a unique pre-on-boarding platform available to TechMighties who are joining the Company. The Company has also developed a humanoid robot employee called K2 which stands for Knowledge and Kindness. With a knowledge base of 800+ HR queries and more than 2000 utterances programmed into it, K2 is our big leap to future and is going to change the way our associates interact with HR team.

DRIVING PERFORMANCE THROUGH PURPOSE

The Company is empowering Associates through integrated performance management and continuous learning. This year, the Company has launched the Career Development Plan platform for Associates to plan their Career Aspirations and goals in the beginning of the year and work towards achieving it along with their Managers. The Company has also introduced the Manager Change Feedback platform wherein Associates automatically receive feedback when there is a Manager/Unit change.

BECOMING FIT4FUTURE

The Company prioritizes the professional and attitudinal development of its Associates as a business imperative. The Company has developed a skill marketplace called #UaaS (Upskilling as a Service). This AI based system is part of our ‘New Age Delivery’ platform and identifies the relevant future technologies and provides contextual and real-time upskilling to employees. The platform is proving to be the X factor in the pursuit of being Fit4Future with inclusive growth which are strategic priorities for your Company.

DEVELOPING FUTURE LEADERS

The Company has invested in developing a robust leadership pipeline. With programs like Chrysalis, your Company has built our Leadership capability to meet our aspirations of orbit shifting goals. This year the Company has focussed on building capability of the middle-managers with programs like Transcend and Ascend. Both these programs have deeply collaborative, academically rigorous learning journeys that give Associates a new way to experience Leadership Learning— while at work.

STAYING CONNECTED

The Company ensured that Associates stay connected with the Company and with each other through myriad platforms, publications, campaigns, stories, contests, connects and initiatives. Besides the daily newsletters, interactive intranet & weekly news update, the Company also focuses on ensuring 360-degree feedback through multiple channels. One of the flag ship events called Connect with the CEO nurtures pride and bonding with the management and the teams. The CEO spends a qualitative half day with chosen members from across locations exchanging information and highlights. Our special series called “Rise from within” brings to the Associates inspiring stories about accepting no limits and driving positive change within the organisation.

NURTURING A CULTURE OF APPRECIATION

The Company believes that while rewards are important to creating a happy organisation, it's equally important to nurture a culture of non-monetary mutual appreciation amongst the Associates too. The Company has a robust digital platform ensures both – recognition and appreciation. This year 47.04% of associates were recognized for their achievements while over 30,000 Associates exchanged wishes and gratitude.

WELLNESS BEFORE BUSINESS

Wellness before business is a mantra the Company has adopted to ensure the complete wellbeing and fitness of our Associates. To ensure all-round wellness – including physical, mental, emotional, financial and social aspects – of our Associates, your Company has run a number of initiatives in partnership with external agencies.

BECOMING A COMPANY WITH A PURPOSE

The Company has focused efforts in corporate and individual social responsibility and corporate sustainability to bring alive the promise of being a Company with a Purpose. On August 1st 2019, The Company launched 3-4-3 (Every Associate to plant 3 trees a month, take 4 carpool rides and volunteer 3 hours a month), introduced a complete ban on smoking and single-use plastic across all offices in India. To fulfil our Associates' aspirations of giving back to society, Your Company initiated a focused drive on Individual Social Responsibility (ISR) where Associates can take time off work to donate to social causes.

QUALITY

The Company continues its focus on quality and strives to exceed customer expectations at all times. During the year, it continued to strengthen the implementation of CMMI Dev v1.3 (Capability Maturity Model Integration) Dev v1.3 (Capability Maturity Model Integration) (Development) for which the organization is assessed at L5. Similarly it underwent various upgrade and continuous evaluation audits for various standards during the year to meet client demands and enhance value delivery – Successfully assessed for, CMMI Dev v 1.3, Level 5, ISO 9001:2015 (Quality Management System), ISO 20000-1:2018 (Information Technology Service Management System), ISO 27001:2013 (Information Security Management System), TL9000 R 6.1/ R5.5 (Quality Management Systems for Tele Communications industry), ISO 13485:2016 (Quality Management Systems for medical devices - scope of certification limited to medical devices business within

Tech Mahindra), AS9100 Rev D (Standard for Aerospace domain – scope of certification limited to the aerospace business within Tech Mahindra).

In addition to these, your Company also maintains its commitment to health, safety and environment by continually improving its processes in accordance with ISO 14001:2015 (Environmental Management System) and ISO 45001: 2018 (Occupational Health and Safety Assessment Series) standards. Your Company is also certified on ISO 22301:2012 (Societal Security and Business Continuity Management System) and has a comprehensive Business Continuity and Disaster Recovery framework, to prevent potential business disruptions in the event of any disaster. It has processes that will help resume services to customers' acceptable service levels. Automated Service Desk with SLAs for enabling business and Vulnerability Assessment and Penetration Testing Lab for secured corporate network operations are highlights showcasing information security posture of the Organization. Tech Mahindra (IT Division) has been assessed for implementation of high maturity business excellence practices at Mahindra Group (Services Sector). It has been assessed at TMW Maturity Stage 6 (on scale of 1-10 stages) of Mahindra Business Excellence Framework – The Mahindra Way. These certifications are testimony of the robustness of business processes and at large the quality culture imbibed in the organization. Your Company has also strengthened Process/Practice and Tools Industrialization of various Engineering activities for Development, Testing and Managed service portfolio to achieve standardization, better efficiency and best practices being implemented across the businesses. Your Company has continued to strengthen the process for transforming Quality Assurance processes & delivery methods to New Age Delivery processes through #NewAgeDelivery Engine. This engine focuses on asset creation and re-usability, enabling the associates to be rightly skilled through Upskilling as a service, enabling the projects and programs to deploy smart planning and crowd sourcing through Capability as a service, providing an automated workflow environment for the associates to execute the project seamlessly through Digital inside and Continuous Delivery, all of this leading to better customer experience and faster quality delivery. Your Company is putting all the initiatives in place in order to ensure we deliver as stated in Quality Policy.

DIRECTORS

During the year under review, all Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of

the Companies Act, 2013 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have also given declaration of compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their name appearing in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

Pursuant to the provisions of Section 152(6)(c) of the Companies Act, 2013, Mr. C. P. Gurnani, Managing Director & CEO (DIN: 0000018234) is liable to retire by rotation and offers himself for reappointment.

The tenure of Mr. Anupam Puri, Mr. M. Damodaran, Mr. T. N. Manoharan, Ms. M. Rajyalakshmi Rao and Mr. Ravindra Kulkarni who were appointed as Independent Directors of the Company on August 1, 2014 ended on July 31, 2019. The Shareholders at the Annual General Meeting held on July 31, 2019 re-appointed Mr. M. Damodaran (DIN:0002106990) up to March 31 2022, Mr. T. N. Manoharan (DIN:0001186248), Ms. M. Rajyalakshmi Rao (DIN:0000009420) for a further period of 5 years.

Mr. Anupam Puri and Mr. Ravindra Kulkarni retired as Independent Directors of the Company with effect from close of business hours of July 31, 2019. Mr. Ulhas Yargop ceased as Non-Executive Director of the Company with effect from close of business hours of July 31, 2019, consequent to his superannuation from Mahindra & Mahindra Limited.

The Board places on record its sincere appreciation for the valuable advice and guidance given by these directors during their tenure.

Ms. Mukti Khaire (DIN: 0008356551), Ms. Shikha Sharma (DIN: 0000043265) and Mr. Haigreve Khaitan (DIN: 0000005290) were appointed as Independent Directors of the Company for a period of 5 years w.e.f. August 1, 2019 by the shareholders at the Annual General Meeting held on July 31, 2019.

Your Directors co-opted Dr. Anish Shah (DIN: 0002719429) as an Additional Director with effect from September 10, 2019 whose term will end at the ensuing Annual General Meeting and being eligible offers himself for appointment.

In terms of Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, Mr. T. N. Manoharan Independent Director of the Company has been appointed as Director in Tech Mahindra

(Americas) Inc. with effect from May 21, 2019, a Wholly owned unlisted material subsidiary of the Company.

In the opinion of the Board of Directors the Independent Directors have relevant proficiency, expertise and experience.

FAMILIARISATION PROGRAMME

These Programs aim to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The details of program for familiarisation of the Independent Directors with the Company are available on the Company's website and can be accessed at; <https://www.techmahindra.com/tml-familiarisation-programmes-for-IDs.pdf>

The Board members are also regularly updated on strategic investments, mergers, acquisitions, business updates, business models and competitive environment. The Board is also updated on geographical and organisational risks, industry review, internal financial controls, changes in Corporate and allied laws, Taxation laws & related matters through presentations and updates made by the respective functional leaders. Our MD & CEO has a quarterly session with Board members sharing updates about the Company's business strategy, operations and the key trends in the IT industry relevant for the Company. These updates help the board members in keeping abreast of the key changes and their impact on the Company.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 read with Schedule II, Part D of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has devised a policy on evaluation of performance of Board of Directors, Committees and Individual directors. Accordingly, the Chairman of the Nomination and Remuneration Committee obtained from all the Board members duly filled in evaluation templates for evaluation of the Board as a whole, evaluation of the Committees and peer evaluation. The summary of the evaluation reports was presented to the respective Committees and the Board.

NUMBER OF MEETINGS OF THE BOARD

The Board met 5 times during the financial year. The meeting details are provided in Corporate Governance report that forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days as prescribed in the Companies Act, 2013.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Governance policies laid down by the Board of Directors of your Company include:

- i. Policy on appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- ii. Policy on remuneration to the Directors, Key Managerial Personnel and Senior Management and other Employees.

The extract of these two policies are provided in "Annexure IV".

The policies are available on the Company's website on <https://www.techmahindra.com/investors/Governance-Policies-including-remuneration-to-Directors-KMPS.pdf>

SUCCESSION PLAN

In accordance with the principles of transparency and consistency, your Company has adopted governance policies for Board of Directors, Key Managerial Personnel & senior management appointments, remuneration & evaluation. These governance policies inter alia outline Succession Planning for the Board, Key Managerial Personnel and Senior Management.

TRAINING

The Company has laid down a policy on training for Independent Directors, as part of the governance policies. The Senior Leadership of the Company update the directors on the regulatory changes, Business strategy and operations periodically.

KEY MANAGERIAL PERSONNEL (KMPs)

Pursuant to provisions of Section 203 of the Companies Act, 2013, Mr. C. P. Gurnani, Managing Director & Chief Executive Officer, Mr. Manoj Bhat, Chief Financial Officer and Mr. Anil Khatri, Company Secretary & Compliance Officer were the Key Managerial Personnel of the Company during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors, based on the representation(s) received from the Operating Management and after due enquiry, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- ii. they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and, reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- iii. proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis;
- v. they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi. the proper systems to ensure compliance with the provisions of all applicable laws are in place and are adequate and operating effectively.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has internal financial controls which are adequate and were operating effectively. The controls are adequate for ensuring the orderly & efficient conduct of the business, including adherence to the Company's policies, the safe guarding of assets, the prevention & detection of frauds & errors, the accuracy & completeness of accounting records and timely preparation of reliable financial information.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant and material orders passed by the regulators or courts or tribunal impacting the going concern status and the Company's operations in future.

STATUTORY AUDITORS

The members, in the 30th Annual General Meeting held on August 1, 2017, appointed B S R & Co. LLP, Chartered Accountants, [Firm's Registration No. 101248W/W-100022] as the Statutory Auditors of the Company, to hold office for a term of five years from the conclusion of

the 30th Annual General Meeting (AGM) of the Company held in the financial year 2017-18 until the conclusion of the AGM of the Company for the financial year 2021-22 on such remuneration as may be determined by the Board of Directors.

The members may note that the Ministry of Corporate Affairs vide notification dated May 07, 2018, has done away with the requirement of yearly ratification of appointment of Statutory Auditors, at the AGM.

Pursuant to Section 139 of the Companies Act, 2013 the statutory auditors B S R & Co. LLP, Chartered Accountants have confirmed they are eligible to continue as auditors.,

There are no qualifications, reservation or adverse remark or disclaimer made in the audit report for the Financial Year 2019-20.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Dr. K. R. Chandratre, Practising Company Secretary, Pune to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is available at **"Annexure V"** to this report. There are no qualification, reservation or adverse remark or disclaimer made in the Secretarial Audit Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable mandatory Secretarial Standards.

EXTRACT OF THE ANNUAL RETURN

Pursuant to the provisions of Section 134(3) (a) of the Companies Act, 2013, the extract of the Annual Return in Form MGT-9 is attached as **"Annexure VI"**. The same is available at the weblink: <https://www.techmahindra.com/en-in/investors/MGT9-Extract-of-Annual-Return.pdf>

The Annual Return will be hosted on website after necessary certification and filing the same with the authority.

MANAGERIAL REMUNERATION

Disclosures of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of

the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, are provided as **"Annexure VII"**.

None of the directors or Managing Director & CEO of the Company, received any remuneration or commission from Subsidiary Companies of your Company.

The details of remuneration paid to the Directors including the Managing Director & CEO of the Company are given in Form MGT-9 forming part of the Directors Report.

PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Companies Act, 2013 ("the Act") read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, pursuant to first proviso to Section 136(1) of the Act, this Report is being sent to the Shareholders excluding the aforesaid information. Any shareholder interested in obtaining said information, may write to the Company Secretary at the Registered Office / Corporate Office of the Company and the said information is open for inspection at the Registered Office of the Company.

PREVENTION OF SEXUAL HARASSMENT POLICY

Your Company laid down Prevention of Sexual Harassment policy and it is made available on the website of the Company. The Company has zero tolerance on Sexual Harassment at workplace. During the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

EMPLOYEE STOCK OPTION SCHEMES

During the year under review, there were no material changes in the Employee Stock Option Schemes (ESOPs) of the Company and the Schemes are in compliance with the SEBI Regulations on ESOPs. As per Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular dated June 16, 2015 the details of the ESOPs are uploaded on the Company's website; <https://www.techmahindra.com/en-in/investors/corporate-governance/Details-of-ESOPs-2020.pdf>

CORPORATE GOVERNANCE

A report on Corporate Governance covering among others composition, details of meetings of the Board and Committees along with a certificate for compliance with

the conditions of Corporate Governance in accordance with the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, issued by the Statutory Auditors of the Company, forms part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

COST RECORDS

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148 (1) of the Companies Act, 2013 are not applicable for the business activities of the Company.

RISK MANAGEMENT

The Risk Management Committee of the Board of Directors periodically reviews the Risk Management framework, identifies risks with criticality and mitigation plan. The elements of risk as identified for the Company with impact and mitigation strategy are set out in the Management Discussion and Analysis Report (MDA).

ESTABLISHMENT OF VIGIL MECHANISM

The Company has laid down Whistle Blower Policy covering Vigil Mechanism with protective Clauses for the Whistle Blowers. The Whistle Blower Policy is made available on the website of the Company.

DEPOSITS / LOANS & ADVANCES, GUARANTEES OR INVESTMENTS

The Company has not accepted any deposits from the public during the year under review. The particulars of loans/advances, guarantees and investments under Section 186 of the Companies Act, 2013 are given in the notes forming part of the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with Related Parties as defined under Section 2(76) of the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, ("The Listing Regulations"), during the financial year were in the ordinary course of business and at an arm's length pricing basis and do not attract

the provisions of Section 188 of the Companies Act, 2013. There were no transactions with related parties in the financial year which were in conflict with the interest of the Company and requiring compliance of the provisions of Regulation 23 of the Listing Regulations. Suitable disclosure as required by the Indian Accounting Standards (Ind AS 24) has been made in the notes forming part of the Financial Statements.

The Company has formulated a policy on materiality of Related Party Transactions and dealing with Related Party Transactions which has been uploaded on the Company's website which can be accessed at following link <https://www.techmahindra.com/investors/Related-Party-Transactions-Policy.pdf>

The particulars of related party transactions in prescribed Form AOC - 2 are attached as "**Annexure VIII**".

Pursuant to Regulation 23(9) of the Listing Regulations your company has filed half yearly report on Related Party Transactions with the stock exchanges.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are provided in "**Annexure IX**" which forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR vision of the Company is "Empowerment through Education."

In compliance with the guidelines prescribed under Section 135 of the Companies Act, 2013, your Company constituted a Corporate Social Responsibility (CSR) Committee. The Board of Directors of the Company laid down the CSR Policy, covering the Objectives, Focus Areas, Governance Structure and Monitoring & Reporting Framework among others. The Company has spent more than 2% of the average net profits of the Company during the three immediately preceding financial years on CSR. In addition, the Company also donated ₹ 200 mn towards PM CARES Fund to fight against COVID-19 pandemic. The policy is available at https://www.techmahindra.com/CSR_Policy.pdf

The Company's social initiatives are carried out by Tech Mahindra Foundation and Mahindra Educational Institutions, Section 8 (erstwhile Section 25) Companies promoted by the Company.

TECH MAHINDRA FOUNDATION (TMF)

The Foundation was set up in 2006, as a Section 25 Company (referred to as a Section 8 Company in the Companies Act, 2013). Since then, it has worked tirelessly towards the overarching vision of “Empowerment through Education”, establishing itself as a prominent CSR player within the Mahindra Group as well as a leading social organization at the national level. The Foundation essentially works with children, youth and teachers from urban, disadvantaged communities in India, with a special focus on women and persons with disabilities. During the year under review, Tech Mahindra Foundation has successfully implemented 175 high-impact projects with more than 90 partners, reaching out to more than 180,000 children, teachers and youth across these locations.

EDUCATION

The key initiatives in the area of School Education include:

ALL ROUND IMPROVEMENT IN SCHOOL EDUCATION (ARISE)

Tech Mahindra Foundation’s educational initiatives under ARISE are long-term school improvement programmes, in partnership with local governments and partner organisations. The Foundation in 2019-20 worked with 36 government schools to turn them around into model schools of excellence. Around 9,817 students were covered under this programme.

During the year, the Foundation expanded its work for children with disabilities through its ARISE+ programme. This programme is a variant of ARISE in which children with disabilities are provided chronic therapy as well as special education to help them lead more fulfilling lives. Through 25 projects, the programme enabled 2,864 differently-abled students to become more independent in managing themselves and better learners.

SHIKSHAANTAR

Shikshaantar, envisioned as a programme for enhancing capacity of government school teachers, has emerged as an important programme in the education portfolio of the Foundation. TMF works with the Municipal Corporations in East Delhi and North Delhi by running their In-Service Teacher Education Institutes, and during the year under review over 2,800 teachers were trained as part of this initiative. Through this training, these teachers were able to improve the learning standards for over 110,000 children.

MOBILE SCIENCE LAB

In order to increase the footprint of its work in Education and reach the unreached, TMF launched a unique initiative during the year: the Mobile Science Lab. A Mahindra bus has been remodelled to be a science lab on wheels, and has been going from school to school in East Delhi to provide STEM learning for children in grades 3 and 4 in these schools. The initiative has received a tremendous response from over 1,500 children it reached during the year, and has the potential to expand manifold in the years ahead.

EMPLOYABILITY

Skills-for-Market Training (SMART) is the Foundation’s flagship programme in employability. It is built on the vision of an educated, enabled and empowered India, and the belief that educated and skilled youth are the country’s true strength. The programme started with 3 Centres in 2012 and is currently running over 100 Centres at 11 locations across India. These include SMART Centres, SMART+ Centres (training for people with disabilities), and SMART-T Centres (training in technical trades).

In 2019-20, your Company trained close to 20,000 young women and men under its SMART program, of which 1,566 were persons with disabilities. More than 70% of the graduates are placed in jobs upon successful completion of the training, across multiple industries.

The Foundation’s commitment to setting new benchmarks in skill development in India has been underscored by the setting up of Tech Mahindra SMART Academies, which provide the highest quality of skill training to youngsters in Healthcare and Digital Technologies. During FY 19-20, 1,138 students were enrolled to the three Healthcare Academies in Delhi, Mohali, and Mumbai, while at the SMART Academy for Digital Technologies in Vizag, Hyderabad and Mohali, another 356 students were enrolled.

MAHINDRA EDUCATIONAL INSTITUTIONS (MEI)

Mahindra Ecole Centrale was established in August 2014 – through a collaborative venture between Mahindra Educational Institutions (MEI – a not-for-profit, 100% subsidiary of Tech Mahindra).

Ecole Centrale of Paris, France (now known as Centrale Supélec) and the JNTU Hyderabad – to offer undergraduate engineering programs in Computer Science Engineering, Mechanical Engineering, Electrical

& Electronics Engineering, and Civil Engineering – and located at the Tech Mahindra Technology Centre campus in Hyderabad. Through this strong Indo-French Collaboration with Centrale Supélec and Industry connect with Tech Mahindra, MEC has emerged as a disruptive player in the field of Technical Education.

Today MEC is a six years old institution with a rich footprint in the areas of Engineering education and Research. MEC has a team of internationally acclaimed faculty, every one of whom is holding Ph.D. in their own areas of interest. With a strong student to faculty ratio of 15:1, the students of MEC are guided through the disciplines of Engineering Sciences, Natural Sciences, Humanities and Creative Sciences.

During the year 2019-20 MEC has signed MOU with one of the leading Australian telecommunications giant, with Cybersecurity Centre of Excellence (CCoE) which is a joint initiative of the Government of Telangana and Data Security Council of India (DSCI), with Government of Telangana in the space of Artificial Intelligence, Babson College, IIT Chicago, University of Porto, IIT Guwahati and many more. These MOU's provide multi-dimensional opportunities to the students in developing critical technical skills in the areas of Research and Innovation, Internships and Placements.

Adding to its state-of-the-art academic infrastructure MEC has launched the Entrepreneurship & Innovation Cell, (EIC) named Mahindra e-HUB – Incubation Centre on campus with an intent of providing opportunities to students to bring their ideas to fruition. It would host events, workshops, industrial visits and seminars, all aimed at providing a conducive environment for students to develop their entrepreneurial skills. The Incubation Centre, spread over 2000 sq. feet of area, and can accommodate 15 entrepreneurs, facilitates through the process of starting, shaping and scaling up new innovative ventures resulting from student-faculty research. In addition to providing creative working space, we help in mentoring, technology, business development, legal, IPR, funding, networking and GTM strategy.

The Annual Report on CSR activities is provided as “Annexure X”.

SUSTAINABILITY

Being a company with a purpose, Tech Mahindra has integrated sustainability into its core strategy. Company believes that Environment, Social and Governance (ESG) principles built into its long-term growth strategy helps mitigate risks and drives profitable growth. The

commitment to environment sustainability, climate change and water security spans its entire business and is pursuing plans that will have long-term impacts on the planet and communities, leading to a balance between sustainability and overall business profitability.

With a structured stakeholder engagement process, Tech Mahindra has been able to design strategies and initiatives, which not only improves the sustainability credentials but also reinforces its overall business philosophy. Company is breaking through new frontiers, turning to renewable energy to achieve ecological balance while ensuring that when it comes to investments, and pioneering new solutions for sustainable development. The emphasis on green eco-system is seen through the company's commitment to going carbon neutral, making optimum use of resources and moving towards a low emission technology. The Company has taken ambitious emission targets, which have been approved by the SBTi (Science based Targets Initiative). The profitability of the Company is aligned with its principles, allowing the company to set sustainability milestones on its journey toward a secure future.

Your Company is aligned to the SDGs (Sustainable Development Goals) and its sustainability focus areas are as below:

- **Going Carbon Neutral:** Increase use of renewable energy through onsite installation and open access; improve energy efficiency through LEDs, sensors; boost green investments by implementing Carbon Price; optimize business travel; encourage use of public transport and carpool to reduce commute emissions; plant trees to offset carbon footprints; move towards low carbon economy and ensure environmental stability.
- **Saying No to plastic:** Maintain plastic-free campuses and encourage associates and stakeholders also to use eco-friendly & biodegradable materials. Spread awareness and initiate campaigns on preventing single-use plastic.
- **Reduce, Reuse, Recycle, Recover:** Implement process of Reduce, Reuse, Recycle and Recover across the value chain to limit waste.
- **Sustainable supply chain:** Ensure our suppliers follow the highest standard of sustainable and ethical best practices; optimise logistics and transportation to reduce emissions.

- **Work-life balance:** Provide an assured career development path and a feasible and flexi work-life balance to the associates along with a range of associate-friendly policies and processes.
- **Innovation:** Becoming future ready by proactively encouraging Innovative thinking across the organization, adopting technology disruption to reduce emissions and going digital. Developed a COVID-19 chatbot, SoS Seva application, SEIR-based disease prediction model- all that helped during the pandemic.
- **Green solutions:** Investing in Smart grid, Microgrid-As-A-Services, Community Action Platform for Energy, Integrated Electric Vehicle Charging systems and Smart Cities to shape Company's business responsibly and increase its economic success.
- **Individual Social Responsibility:** Encourage associates in making sustainability a part of their daily lives.
- **Transparency:** Showcase the organizational policies, processes, risk management along with financial, environmental and social data in the Integrated Reports available online.

Company's commitment and performances are validated by the external recognition, the Company received:

- Awarded Highest 'Gold CSR Rating- 2019' by EcoVadis with 94 percentile;
- Microsoft Global Supplier Leadership Award on Climate Change 2019;
- One of the only 4 Indian companies recognized as part of CDP Global Supplier A List 2019;
- One of 12 Indian companies who are part of the DJSI Emerging markets category 2019;
- Recognized with Leadership ranking of A- in CDP 2019;
- Ranked among the Top 6 companies of the world in the "TSV* IT services & Internet Software and Services" segment by RobecoSAM;
- Bronze Class distinction for excellent sustainability performance in the RobecoSAM 2020 Sustainability Yearbook
- Constituent of the FTSE4Good Series 2019;

The Company's Sustainability reporting is based on various global standards and frameworks like TCFD (Taskforce on Climate Related Financial Disclosures), CDSB (Climate Disclosure Standards Board) and GRI standards.

The Tech Mahindra Board has an oversight to all aspect of sustainability and climate change and consider Task Force on climate related financial Disclosures (TCFD) recommendation for climate change risk. The next level has the CSR committee of the Board responsible for all aspects of sustainability and sets the course for promoting sustainability agenda within the Company. Our MD & CEO who is a Board member and chairs the CSR Committee of the Board has the ultimate responsibility for Sustainability and Climate Change issues of the organisation. He is ably supported by the Chief Sustainability Officer who directly reports to him and Senior Management members of the Sustainability Council who manage all aspects of climate change including climate-related risks and opportunities.

We are transitioning to a low-carbon economy to achieve the goals of Paris agreement. The Company's strategy includes futureproofing the growth against impending changes in policies and regulations and increasing the compliance readiness. We are agile and adaptive to dynamic changes in internal and external environment with strategies in place to manage all business and climate change risks in an effective way. Company has a robust business continuity management framework and incident response team that ensure we are resilient to any climate change risks.

The targets and the metrics used for managing climate related risks and the progress against these targets are disclosed in the externally assured Integrated reports available at - <https://www.techmahindra.com/en-in/sustainability/>

AWARDS AND RECOGNITION

Your Company continued its quest for excellence in its chosen area of business to emerge as a true global brand. Several awards and rankings continue to endorse your Company as a thought leader in the industry. Few of the Awards / recognitions received by the Company during the year 2019-20 include:

- Tech Mahindra Recognized as Winner for 2019 Microsoft Partner of the Year Award.
- Winners of BW Businessworld Digital India Awards 2019.
- Certified as a Great Place to Work for the period February 2020 to January 2021.

- Winners of 'The Golden Peacock HR Excellence Award' for the year 2019 in the IT sector.
- Winners of the Economic Times Innovation Award 2020 in the People Innovation category.
- Winners of Association for Talent Development (ATD) BEST Awards 2020 for Learning & Development.
- Being in the top 10 of Working Mother & Avatar Best Companies for Women in India list.
- Winner at the 6th IDC Insights Awards 2019 for Excellence in Operations for the Facial Recognition tool.
- Three awards at the PeopleFirst HR Excellence Awards with Winners in Technology Deployment in HR, 1st Runners Up in Diversity and Inclusion & 2nd Runners Up in Health and Wellness.
- Mr. C P Gurnani won Business Today's 'Best CEO' Award 2019 in the IT & ITES category and have

also won the 'Gold at the CEO World Awards 2018' for his Organisation's Wide Reskilling Initiative.

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation for the contributions made by employees towards the success of your Company more particularly ensuring business as usual in spite of COVID-2019 impact. Your Directors gratefully acknowledge the co-operation and support received from the shareholders, customers, vendors, bankers, regulatory and Governmental authorities in India and abroad.

For and on behalf of the Board

Place: Mumbai
Date: April 30, 2020

Anand G. Mahindra
Chairman
(DIN: 0000004695)