



TECH MAHINDRA LIMITED

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PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF ELIGIBLE SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF TECH MAHINDRA LIMITED FOR THE BUYBACK OF EQUITY SHARES THROUGH A TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED

This Public Announcement (the “**Public Announcement**”) is being made pursuant to the provisions of Regulation 7(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the “**Buyback Regulations**”) for the time being in force including any statutory modifications and amendments from time to time and contains the disclosures as specified in Schedule II read with Schedule I to the Buyback Regulations.

OFFER FOR BUYBACK OF UP TO 2,05,85,000 (TWO CRORES FIVE LAKHS AND EIGHTY FIVE THOUSAND) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 5/- EACH (“EQUITY SHARES”) AT A PRICE OF ₹ 950/- (RUPEES NINE HUNDRED AND FIFTY ONLY) PER EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER ROUTE THROUGH STOCK EXCHANGE MECHANISM.

1 THE BUYBACK OFFER

- The Board of Directors (hereinafter referred to as the “**Board**” which expression shall include any persons authorized by the Board to exercise its powers) of Tech Mahindra Limited (the “**Company**”), at its meeting held on February 21, 2019 (“**Board Meeting**”) has approved the proposal to buyback up to 2,05,85,000 (Two crores five lakhs and eighty five thousand) Equity Shares (“**Buyback**”) (representing 2.10% of the total number of Equity Shares in the paid-up equity share capital of the Company) at a price of ₹ 950/- (Rupees Nine hundred and fifty only) per Equity Share (the “**Buyback Price**”) payable in cash for an aggregate consideration not exceeding ₹ 19,55,57,50,000/- (Rupees One thousand nine hundred fifty five crores fifty seven lakhs and fifty thousand only) (the “**Maximum Buyback Size**”), being 9.551% of the aggregate of the fully paid-up equity share capital and free reserves as per the latest audited interim condensed standalone financial statements as at December 31, 2018, from the eligible equity shareholders of the Company (“**Shareholders**”) on a proportionate basis through a tender offer route in accordance with the provisions of the Companies Act, 2013 (“**Companies Act**”), the Companies (Share Capital and Debentures) Rules, 2014 (the “**Share Capital Rules**”), the Companies (Management and Administration) Rules, 2014 (the “**Management Rules**”) and in compliance with the Buyback Regulations (“**Buyback**” or “**Buyback Offer**”). The Maximum Buyback Size is within the statutory limit of 10% (Ten percent) of the aggregate of the fully paid-up equity share capital and free reserves as per the latest audited interim condensed standalone financial statements as at December 31, 2018 applicable for the Board approval route in accordance with the provisions of the Companies Act.
- The Buyback Price and the Maximum Buyback Size do not include any expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India (“**SEBI**”), advisors’ fees, stock exchange fee for usage of their platform for Buyback, transaction costs viz. brokerage, applicable taxes such as securities transaction tax, Goods and Services Tax, stamp duty, etc., public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses (“**Transaction Costs**”). The Buyback is subject to receipt of approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by statutory, regulatory or governmental authorities under applicable laws, including the Reserve Bank of India, the SEBI and the stock exchanges on which the Equity Shares are listed, namely, the National Stock Exchange of India Limited (“**NSE**”), the BSE Limited (“**BSE**”) (together the “**Stock Exchanges**”).
- The Buyback shall be undertaken on a proportionate basis from the Shareholders as of March 6, 2019 (the “**Record Date**”) through the tender offer process mentioned in Regulation 4(iv)(a) of the Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated for tendering of Equity Shares by such Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any further amendments thereof (the “**SEBI Circular**”). Please refer to Paragraph 10 of this Public Announcement below for further details regarding the Record Date and share entitlement for tender Equity Shares in the Buyback.
- In terms of the Buyback Regulations, under tender offer route, the members of the promoter and promoter group of the Company have the option to participate in the Buyback. In this regard, Mahindra & Mahindra Limited, TML Benefit Trust, Mahindra Holdings Limited and Mahindra-BT Investment Company (Mauritius) Limited, being members of the promoter and promoter group of the Company, have informed the Company vide their letters dated February 21, 2019 regarding their intention to participate in the Buyback. The extent of its participation in the Buyback has been detailed in Paragraph 6 of this Public Announcement.
- The aggregate paid-up share capital and free reserves as at December 31, 2018 (as per the audited interim condensed standalone financial statements available as on the date of the Board Meeting recommending the proposal of the Buyback) is ₹ 204,759 Million (approximately ₹ 20,475.9 crores). Under the provisions of the Companies Act, the funds deployed for the Buyback cannot exceed 10% of the total paid-up share capital and free reserves of the Company to undertake a Buyback under the Board approval route as provided for under the proviso to Section 68(2)(b) of the Companies Act. Accordingly, the maximum amount that can be utilized by the Company for Buyback is ₹ 20,475 Million (approximately 2,047.5 crore). The maximum amount proposed to be utilized for the Buyback (excluding Transaction Costs) is ₹ 19,55,57,50,000/- (Rupees One thousand nine hundred fifty five crores fifty seven lakhs and fifty thousand only) being 9.551% of the standalone fully paid-up share capital and free reserves of the Company and 9.998% of the consolidated fully paid-up share capital and free reserves of the Company as at December 31, 2018 and is therefore within the limit of 10% prescribed under the Companies Act for a Buyback under the Board approval route.
- Further, under the Companies Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity capital of the Company in that financial year. Accordingly, the maximum number of Equity Shares that can be bought back by the Company in the current financial year is 24,53,12,458 (Twenty four crores fifty three lakhs twelve thousand four hundred and fifty eight) Equity Shares (calculated on the basis of the total paid-up equity share capital of the Company as on December 31, 2018). Since the Company proposes to buy back up to 2,05,85,000 Equity Shares, the same is within the aforesaid 25% limit. The maximum number of Equity Shares proposed to be bought back by the Company represent 2.10% of the paid-up equity share capital of the Company as of December 31, 2018.
- Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the members of the promoter and promoter group in the Company may increase or decrease from their existing shareholding in the total equity capital and voting rights of the Company. Pursuant to the completion of the Buyback, the public shareholding of the Company shall not fall below the minimum level required as per Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Any change in voting rights of the promoter and promoter group of the Company pursuant to completion of Buyback will not result in any change in control over the Company.
- A copy of this Public Announcement is available on the website of the Company at www.techmahindra.com, and is expected to be available on the SEBI website at www.sebi.gov.in and that of the Stock Exchanges during the period of the Buyback.

2 NECESSITY FOR THE BUYBACK

The Board at its meeting held on February 21, 2019, considered all relevant factors, including the strategic and operational cash requirements in the medium term, present debt to equity ratio of the Company, the increase in accumulated free reserves and considered it appropriate to allocate a sum not exceeding ₹ 19,55,57,50,000/- (Rupees One thousand nine hundred fifty five crores fifty seven lakhs and fifty thousand only) (excluding Transaction Costs) for distributing to the Shareholders holding Equity Shares on the Record Date, through the Buyback.

In line with the above and with an objective of enhancing the shareholders returns, the Board decided to recommend Buyback at a price of ₹ 950/- (Rupees Nine Hundred and fifty only) per Equity Share for an aggregate consideration of upto ₹ 19,55,57,50,000/- (Rupees One thousand nine hundred fifty five crores fifty seven lakhs and fifty thousand only).

The Buyback is being undertaken to return to the equity shareholders, in an expedient, effective and cost-efficient manner, surplus cash which is in excess of the Company's ordinary capital requirements and current investment plans. The Buyback is being undertaken for the following reasons:

- The Buyback will help the Company to return surplus cash to its Shareholders holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to Shareholders;
- The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocating to the Small Shareholders the higher of a) number of shares entitled as per their holdings, or b) 15% of the number of shares to be bought back, reserved for the Small Shareholders. The Company believes that this reservation for Small Shareholders would benefit a large number of public shareholders, who would get classified as “Small Shareholder” as per Regulation 2(i)(n) of the Buyback Regulations;
- The Buyback is expected to improve return on equity and earnings per share by reduction in the equity base, thereby leading to long term increase in Shareholders' value; and
- The Buyback gives an option to Shareholders holding equity shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding in the Company, post the Buyback offer, without additional investment.

3 MAXIMUM AMOUNT REQUIRED UNDER THE BUYBACK

The maximum amount required for Buyback will not exceed ₹19,55,57,50,000/- (Rupees One thousand nine hundred fifty five crores fifty seven lakhs and fifty thousand only) (excluding Transaction Costs) being 9.551% of the standalone fully paid up share capital and free reserves as on December 31, 2018 which is less than 10% of the aggregate of the fully paid share capital and free reserves of the Company as on December 31, 2018.

The funds for the implementation of the proposed Buyback will be sourced out of the free reserves of the Company (including Securities Premium Account) or such other source as may be permitted by the Buyback Regulations or the Companies Act.

The Company shall transfer from its free reserves a sum equal to the nominal value of the equity shares bought back through the Buyback to the Capital Redemption Reserve Account and details of such transfer shall be disclosed in its subsequent audited standalone financial statements.

The funds borrowed, if any, from banks and financial institutions will not be used for the Buyback.

4 MAXIMUM PRICE FOR BUYBACK OF THE EQUITY SHARES

The Equity Shares of the Company are proposed to be bought back at a price of ₹ 950/- (Rupees Nine hundred and fifty only). The Buyback Price has been arrived at after considering many factors, including, but not limited to, the trends in the volume weighted average prices of the equity shares of the company on the Stock Exchanges, the net worth of the company, price earnings ratio and impact on other financial parameters and the possible impact of buyback on the earnings per share.

The Buyback Price represents a:

- Premium of 29.81% and 30.22% over the volume weighted average market price of the equity shares on BSE and NSE, respectively, during the three months preceding the date of intimation to the Stock Exchanges for the board meeting to consider the proposal of the Buyback.
- Premium of 19.18% and 19.24% over the volume weighted average market price of the equity shares on BSE and NSE, respectively, during two weeks preceding the date of intimation to the Stock Exchanges for the board meeting to consider the proposal of the Buyback.

The Company confirms that as required under section 68(2)(d) of the Companies Act, the ratio of the aggregate of secured and unsecured debts owed by the Company will be not more than twice the paid-up share capital and free reserves as on December 31, 2018 after the Buyback.

5 MAXIMUM NUMBER OF EQUITY SHARES THAT THE COMPANY PROPOSES TO BUYBACK

The Company proposes to buy back up to 2,05,85,000 Equity Shares representing up to 2.10% of the paid-up equity capital of the Company as on December 31, 2018.

6 DETAILS OF SHAREHOLDING AND INTENTION OF PROMOTERS TO PARTICIPATE IN THE BUYBACK

- The aggregate shareholding of the members of the promoter and promoter group who are in control of the Company as on February 21, 2019, i.e. the date of the Board Meeting is as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares Held to tender	Shareholding Percentage (%)
1	Mahindra & Mahindra Limited	25,62,48,704	26.11
2	TML Benefit Trust	9,60,00,000	9.78
3	Mahindra Holdings Limited	2,01,904	0.02
4	Mahindra-BT Investment Company (Mauritius) Limited	2,42,904	0.02
Total		35,26,93,512	35.94

- As on February 21, 2019, i.e. the date of the Board Meeting, none of the Directors or Key Managerial Personnel of the Company holds any Equity Shares or employee stock options (“**ESOPs**”) in the Company except for the following:

Equity Shares

Sr. No.	Name	Designation	No. of Equity Shares held	Shareholding Percentage (%)
1	Anand Mahindra	Chairman	188,552	0.02%
2	C P Gurnani	MD & CEO	6,931,968	0.71%
3	Ullhas Yargop	Director	151,520	0.02%
4	T N Manoharan	Director	30,000	0.00%
5	Rajyalakshmi Rao	Director	33,000	0.00%
6	M Damodaran	Director	75,150	0.01%
7	Ravindra Kulkarni	Director	64,148	0.01%
8	Manoj Bhat	CFO	46,204	0.00%
9	Anil Khatri	Company Secretary	5,000	0.00%

ESOPs

Sr. No.	Name	Designation	No. of ESOPs held
1	C P Gurnani	MD & CEO	2,250,000
2	Anupam Puri	Director	60,000
3	Manoj Bhat	CFO	168,200
4	Anil Khatri	Company Secretary	15,500

- As on February 21, 2019, i.e. the date of the Board Meeting, none of the Directors of the Mahindra & Mahindra Limited holds any Equity Shares or ESOPs in the Company except for the following:

Equity Shares

Sr. No.	Name	No. of Equity Shares held	Shareholding Percentage (%)
1	Anand Mahindra	188,552	0.02%
2	T N Manoharan	30,000	0.00%
3	Ravindra Kulkarni	64,148	0.01%
4	M M Murugappan	600	0.00%
5	N B Godrej	3,915	0.00%

ESOPs

Sr. No.	Name	No. of ESOPs held
1	Anupam Puri	60,000

- As on February 21, 2019, i.e. the date of the Board Meeting, none of the Directors of the Mahindra Holdings Limited holds any Equity Shares or ESOPs in the Company except for the following:

Sr. No.	Name	No. of Equity Shares held	Shareholding Percentage (%)
1	Anand Mahindra	188,552	0.02%
2	Keshub Mahindra	40,000	0.00%

- As on February 21, 2019, i.e. the date of the Board Meeting, none of the Directors of the Mahindra-BT Investment Company (Mauritius) Limited holds any Equity Shares or ESOPs in the Company except for the following:

Sr. No.	Name	No. of Equity Shares held	Shareholding Percentage (%)
1	Ullhas Yargop	151,520	0.02%

- As on February 21, 2019, i.e. the date of the Board Meeting, none of the Trustees of the TML Benefit Trust holds any Equity Shares or ESOPs in the Company except for the following:

Equity Shares

Sr. No.	Name	No. of Equity Shares held	Shareholding Percentage (%)
1	Anand Mahindra	188,552	0.02%
2	C P Gurnani	6,931,968	0.71%
3	Ullhas Yargop	151,520	0.02%
4	Ravindra Kulkarni	64,148	0.01%

ESOPs

Sr. No.	Name	No. of ESOPs held
1	C P Gurnani	2,250,000

- No Equity Shares of the Company have been purchased/sold by or no ESOPs have been granted to any members of the promoter and promoter group of the Company, directors/trustees (as applicable) of members of the promoter and promoter group of the Company, Directors or Key Managerial Personnel of the Company during the period from six months preceding the date of the Board Meeting, other than:

No. of Shares Allotted / Transferred	Date of Allotment / Transfer	Nature of Transaction	Maximum Price (₹)	Date of Maximum Price (₹)	Minimum Price (₹)	Date of Minimum Price
C P Gurnani						
248,000	12.02.2019	Conversion of ESOPs	5.00 ⁽¹⁾	12.02.2019	5.00 ⁽¹⁾	12.02.2019
Manoj Bhat						
55,000 ⁽²⁾	04.02.2019	Grant of ESOPs	Exercisable at INR 5.00	04.02.2019	Exercisable at INR 5.00	04.02.2019
M Damodaran						
4,850	24.08.2018	Sale	725.00	24.08.2018	725.00	24.08.2018
Rajyalakshmi Rao						
1,000	14.02.2019	Sale	811.00	14.02.2019	811.00	14.02.2019
1,699	13.02.2019	Sale	810.00	13.02.2019	810.00	13.02.2019
3,301	11.02.2019	Sale	810.00	11.02.2019	809.80	11.02.2019
6,000	08.02.2019	Sale	810.00	08.02.2019	808.90	08.02.2019
5,258	28.12.2018	Sale	715.75	28.12.2018	712.50	28.12.2018
9,742	27.12.2018	Sale	713.00	27.12.2018	707.00	27.12.2018
60,000	15.10.2018	Conversion of ESOPs	5.00 ⁽¹⁾	15.10.2018	5.00 ⁽¹⁾	15.10.2018
T N Manoharan						
30,000	27.08.2018	Sale	729.80	27.08.2018	729.00	27.08.2018

No. of Shares Allotted / Transferred	Date of Allotment / Transfer	Nature of Transaction	Maximum Price (₹)	Date of Maximum Price (₹)	Minimum Price (₹)	Date of Minimum Price
Ullhas Yargop						
91,520	31.08.2018	Sale	754.65	31.08.2018	753.00	31.08.2018
Ravindra Kulkarni						
300	26.09.2018	Sale	757.53	26.09.2018	757.53	26.09.2018
Anil Khatri						
3,000	20.02.2019	Conversion of ESOPs	422.96	20.02.2019	422.96	20.02.2019
2,100	08.02.2019	Sale	806.85	08.02.2019	806.00	08.02.2019
600	09.10.2018	Conversion of ESOPs	422.96	09.10.2018	422.96	09.10.2018
500	09.10.2018	Conversion of ESOPs	422.96	09.10.2018	422.96	09.10.2018
200	24.09.2018	Sale	763.75	24.09.2018	763.55	24.09.2018
2,600	31.08.2018	Sale	765.65	31.08.2018	749.05	31.08.2018
N B Godrej						
479	29.10.2018	Buy	662.85	29.10.2018	662.85	29.10.2018
108	26.10.2018	Buy	653.18	26.10.2018	653.18	26.10.2018
57	24.10.2018	Buy	656.35	24.10.2018	656.35	24.10.2018
188	22.10.2018	Buy	678.02	22.10.2018	678.02	22.10.2018
368	16.10.2018	Buy	704.95	16.10.2018	704.95	16.10.2018
12	16.10.2018	Buy	708.25	16.10.2018	708.25	16.10.2018
1,397	11.10.2018	Buy	691.58	11.10.2018	691.58	11.10.2018
1,306	10.10.2018	Buy	701.51	10.10.2018	701.51	10.10.2018

⁽¹⁾ ESOPs have been exercised at face value of Equity Shares of ₹ 5 each

⁽²⁾ ESOP grants

- In terms of the Buyback Regulations, under the Tender Offer route, the members of the promoter and promoter group of the Company have the option to participate in the Buyback. In this regard, members of the promoter and promoter group of the company have informed the company vide their letters dated February 21, 2019, regarding their intention to participate in buyback and accordingly may tender upto a maximum of 69,04,000 Equity Shares as mentioned in the table below or such lower number of Equity Shares in compliance with Buyback Regulations/terms of the buyback.

Sr. No.	Name of Shareholder	Maximum No. of Equity Shares
1	Mahindra & Mahindra Limited	50,00,000
2	TML Benefit Trust	19,00,000
3	Mahindra Holdings Limited	4,000
4	Mahindra-BT Investment Company (Mauritius) Limited	Nil
Total		69,04,000

- Details of the date and price of acquisition of the Equity Shares that Mahindra & Mahindra Limited, TML Benefit Trust and Mahindra Holdings Limited intend to tender in the Buyback are set-out below:

Mahindra & Mahindra Limited

Date of Acquisition/ Allotment	Nature of Transaction	No. of Shares	Issue Price / Acquisition Price (₹)
31.03.2002	Acquired pursuant to scheme of arrangement between e-Mahindra Solutions Ltd (eMSL), Mahindra Auto Specialities Ltd (MASL), Mahindra Alternative Technologies Ltd (MATL) and Mahindra Information Technology Services Ltd (MITS) with M&M	50,00,000	32.40

TM L Benefit Trust

Date of Acquisition/ Allotment	Nature of Transaction	No. of Shares	Issue Price / Acquisition Price (₹)
06.07.2013	Acquisition of equity shares pursuant to the scheme of merger between the Company and Satyam Computer Services Limited & others	19,00,000	493.85

Mahindra Holdings Limited

Date of Acquisition/ Allotment	Nature of Transaction	No. of Shares	Issue Price / Acquisition Price (₹)
20.12.2014	Shares received on Merger of Mahindra Engineering Services Limited (MESL) with Tech Mahindra Limited	4,000	265.28

7 CONFIRMATIONS FROM THE COMPANY AS PER THE PROVISIONS OF THE BUYBACK REGULATIONS AND THE COMPANIES ACT

- The Company shall not issue any equity shares or other securities (including by way of bonus) till the date of expiry of buyback period;
- The Company shall pay the consideration only by way of cash;
- The Company shall not raise further capital for a period of one year from the date of expiry of buyback period, except in discharge of subsisting obligations;
- The Company shall not withdraw the Buyback after the draft letter of offer is filed with SEBI or the Public Announcement for the Buyback is made;
- The Company shall not buyback locked-in shares and non-transferable shares or other specified securities till the pendency of the lock-in or till the shares or other specified securities become transferable;
- The Company shall not buyback its Equity Shares from any person through a negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- The Company confirms that there are no defaults subsisting in repayment of deposits, redemption of debentures or interest thereon or redemption of preference shares or payment of dividend, or repayment of any term loans or interest payable thereon to any financial institution or banking company and
- The Buyback shall be completed within a period of one year from the date of passing of the board resolution.

8 CONFIRMATIONS FROM THE BOARD

The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

- That immediately following the date of the Board Meeting held on February 21, 2019, there were no grounds on which the Company can be found unable to pay its debts;
- That as regards the Company's prospects for the year immediately following the date of the Board Meeting held on February 21, 2019 and having regards to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be

Management’s Responsibility

4. The preparation of the Statement in accordance with the provisions of the Act and the compliance with the Buyback Regulations, is the responsibility of the management of the Company, including the computation of the amount of the permissible capital payment, the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor’s Responsibility

5. Pursuant to the requirements of clause (xi) of Schedule I of the Buyback Regulations, it is our responsibility to provide a reasonable assurance:
- i. whether we have inquired into the state of affairs of the Company in relation to the audited condensed standalone interim Ind AS financial statements as at December 31, 2018;
 - ii. if the amount of permissible capital payment as stated in Annexure A for the proposed buyback of equity shares, has been properly determined considering the audited condensed standalone interim financial statements as at December 31, 2018 in accordance with Section 68(2) of the Act and the proviso to Regulation 5(i)(b) of the Buyback Regulations; and
 - iii. if the Board of Directors of the Company, in their Meeting held on February 21, 2019 have formed the opinion as specified in Clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the aforesaid date.
6. The condensed standalone interim Ind AS financial statements referred to in paragraph 5 above, have been audited by us, on which we have issued an unmodified audit opinion in our report dated February 5, 2019. We conducted our audit of the condensed standalone interim Ind AS financial statements in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (the “Guidance Note”). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SOC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

9. Based on inquiries conducted and our examination as above, we report that:
- i. We have inquired into the state of affairs of the Company in relation to its audited condensed standalone interim Ind AS financial statements as at and for nine months period ended December 31, 2018, which have been approved by the Board of Directors of the Company on February 5, 2019;
 - ii. The amount of permissible capital payment (including premium) towards the proposed buy back of 20,585,000 equity shares as computed in the Statement attached herewith, as Annexure A, in our view has been properly determined in accordance with Section 68 (2)(c) of the Act. The amounts of share capital and free reserves have been extracted from the audited condensed standalone interim Ind AS financial statements of the Company as at and for nine months period ended December 31, 2018; and
 - iii. The Board of Directors of the Company, at their meeting held on February 21, 2019 have formed their opinion as specified in clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board Resolution dated 21 February 2019.

Restriction on Use

10. This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buyback of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Act and the Buyback Regulations, (ii) to enable the Board of Directors of the Company to include in the public announcement, draft letter of offer and letter of offer pertaining to buyback to be sent to the shareholders of the Company or filed with the (a) Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the Manager, each for the purpose of extinguishment of equity shares and may not be suitable for any other purpose.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022
Sd/-
Ashish Gupta
Partner
Membership No. - 215165
Place : Pune
Date : February 21, 2019
UDIN : 19215165AAAAF4312

Annexure A - Statement of Permissible Capital Payment

Computation of amount of permissible capital payment towards buyback of equity shares in accordance with Section 68 of the Companies Act, 2013 (“the Act”) and Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018

Particulars	Amount (₹ in Million)
Paid up equity capital as at December 31, 2018 (A)	4,905
Free Reserves as at December 31, 2018:	
- Retained earnings	163,776
- Securities Premium reserve	36,078
Total Free Reserves (B)	199,854
Total paid up Equity capital and free reserves (A+B)	204,759
Maximum amount permissible for buyback under Section 68 of the Act, i.e. 25% of the total paid up capital and free reserves	51,189
Maximum amount permissible for buyback under the proviso to Regulation 5 (i)(b) of the Buyback Regulations, i.e. 10% of the total paid up capital and free reserves	20,475
Buyback proposed by Board of Directors	19,556
Buyback as a percentage of total paid-up equity capital and free reserves	9.55%

Note:

- The aforesaid balances have been extracted accurately from the audited interim condensed standalone financial statements, the underlying books of accounts and secretarial records of the Company as at December 31, 2018.
- As per Section 68, free reserves include securities premium for the purposes of the aforesaid computation.
- The aforesaid statement has been prepared in connection with the proposed buy-back of 20,585,000 equity shares at a price of INR 950 per share aggregating to INR 19,556 million. The shares proposed for buy-back have been determined in accordance with the provisions of the Companies Act, 2013 including Section 68 and the Buyback Regulations.
- The Board of Directors have in their meeting dated February 21, 2019, formed opinion that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the aforesaid date.

For Tech Mahindra Limited

Sd/-

C. P. Gurnani
Managing Director and CEO
Date: February 21, 2019

10 RECORD DATE AND SHAREHOLDER ENTITLEMENT

- 10.1 As required under the Buyback Regulations, the Company has fixed Wednesday, March 6, 2019 as the Record Date for the purpose of determining the entitlement and the names of the Shareholders, who will be eligible to participate in the Buyback.
- 10.2 The Equity Shares proposed to be bought back by the Company shall be divided into two categories:
- (a) reserved category for small shareholders (Reserved Category); and
 - (b) general category for all other Shareholders (General Category).
- 10.3 In due course, shareholders holding Equity Shares, either in physical or dematerialised form, as on the Record Date (“**Eligible Shareholders**”) will receive a letter of offer in relation to the Buyback (“**Letter of Offer**”) along with a tender offer form indicating the entitlement of the Eligible Shareholder for participating in the Buyback. Even if Eligible Shareholder does not receive the Letter of Offer along with a tender offer, the Eligible Shareholder may participate and tender shares in the Buyback.
- 10.4 As defined in the Buyback Regulations, a “Small Shareholder” is a shareholder who holds Equity Shares having market value, on the basis of closing price on BSE or NSE (as applicable, contingent on highest trading volume in respect of Equity Shares as on the Record Date), of not more than ₹ 200,000/- (Rupees Two Lakhs only).
- 10.5 In accordance with proviso to Regulation 6 of the Buyback Regulations, 15% (fifteen percent) of the number of Equity Shares which the Company proposes to

buyback or number of Equity Shares entitled as per the shareholding of Small Shareholders, whichever is higher, shall be reserved for the Small Shareholders as part of this Buyback.

- 10.6 On the basis of the shareholding as on the Record Date, the Company will determine the entitlement of each shareholder to tender their Equity Shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs.
- 10.7 After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by shareholders in that category, and thereafter from Shareholders who have tendered over and above their entitlement in other category.
- 10.8 Shareholders’ participation in Buyback will be voluntary. Shareholders can choose to participate, in part or in full and get cash in lieu of Equity Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Shareholders may also accept a part of their entitlement. Shareholders also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any.
- 10.9 The maximum tender under the Buyback by any Shareholder cannot exceed the number of Equity Shares held by the shareholder as on the Record Date. If the Buyback entitlement for any Eligible Shareholder is not a round number (i.e. not a multiple of one Equity Share), then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback. The Small Shareholders whose entitlement would be less than 1 Equity Share may tender additional Equity Shares as part of the Buyback offer and will be given preference in the acceptance of one Equity Share, if such Small Shareholders have tendered for additional Equity Shares.
- 10.10 The Equity Shares tendered as per the entitlement by Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations. Each Eligible Shareholder will receive the letter of offer along with a tender/offer form indicating the entitlement of the Eligible Shareholder for participating in the Buyback.
- 10.11 Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Shareholders as on the Record Date.

11 PROCESS AND METHODOLOGY FOR BUYBACK

- 11.1 The Buyback is open to all Eligible Shareholders/beneficial owners for Eligible Shareholders holding Equity Shares either in physical and/or dematerialised form on the Record Date (subject to provisions of paragraph 11.7 of this Public Announcement).
- 11.2 The Buyback shall be implemented using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI Circular (“**Stock Exchange Mechanism**”) and following the procedure prescribed in the Companies Act and the Buyback Regulations and as may be determined by the Board (including the “Authorised Persons” approved by the Board authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
- 11.3 For implementation of the Buyback, the Company has appointed Kotak Securities Limited as the registered broker to the Company (the “**Company’s Broker**”) to facilitate the process of tendering of Equity Shares through Stock Exchange Mechanism for the Buyback as described in paragraphs 11.6 and 11.7. In the tendering process, the Company’s Broker may also process the orders received from the Eligible Shareholders. The contact details of the Company’s Broker are as follows:
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KOTAK SECURITIES LIMITED
27BKC, Plot No. C-27, “G” Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
Contact Person: Ankush Singh
Tel: +91 22 42858455
Email: ankushr.singh@kotak.com
Website: www.kotaksecurities.com
NSE SEBI Registration No.: INZ000200137
BSE SEBI Registration No.: INZ000200137
CIN: U99999MH1994PLC134051

- 11.4 The Company will request BSE and NSE to provide a separate acquisition window (“**Acquisition Window**”) to facilitate placing of sell orders by Eligible Shareholders who wish to tender Equity Shares in the Buyback. BSE would be the designated stock exchange for the Buyback (“**Designated Stock Exchange**”). The details of the Acquisition Window will be specified by the Stock Exchanges from time to time.
- 11.5 During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective stock brokers (“**Stock Brokers**”) during normal trading hours of the secondary market. The Stock Brokers can enter orders for demat shares as well as physical shares.
- 11.6 **Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialised form:**
- 11.6.1 Eligible Shareholders who desire to tender their Equity Shares in electronic form under Buyback would have to do so through their respective Stock Broker by indicating to their broker the details of Equity Shares they intend to tender under the Buyback.
- 11.6.2 The Stock Broker would be required to place an order/bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the Acquisition Window of the Stock Exchanges. Before placing the bid, the Eligible Shareholder would be required to transfer the tendered Equity Shares to the special account of the Indian Clearing Corporation Limited (“**ICCL**”) or NSE Clearing Limited (“**NSECL**”) and together with ICCL, the “**Clearing Corporation**”), by using the early-pay in mechanism as prescribed by the Stock Exchanges or the Clearing Corporation prior to placing the bid by the Stock Broker.
- 11.6.3 The details of the special account of Clearing Corporation shall be informed in the offer opening circular that will be issued by the Stock Exchanges or Clearing Corporation.
- 11.6.4 For custodian participant orders for demat Equity Shares early pay-in is mandatory prior to confirmation of the order/bid by the custodian. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- 11.6.5 Upon placing the bid, the Stock Broker shall provide a Transaction Registration Slip (“**TRS**”) generated by the exchange bidding system to the Eligible Shareholder on whose behalf the bid has been placed. The TRS will contain the details of the order submitted like bid ID number, application number, DP ID, client ID, number of Equity Shares tendered etc.

- 11.7 **Procedure to be followed by Eligible Shareholders holding Equity Shares in the Physical form:**
- 11.7.1 As per the proviso to regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018), effective from December 5, 2018, transfers of securities shall not be processed unless the securities are held in the dematerialised form with a depository (“**LODR Amendment**”). Further, as per the press release dated December 3, 2018 issued by SEBI (“**Press Release**”), the deadline for effecting the transfer of securities in dematerialised form only has been extended to April 1, 2019. Therefore, transfers of securities on or after April 1, 2019 or such extended date as may be notified by SEBI (“**Physical Transfer Cut-off Date**”) shall not be processed unless the securities are held in the dematerialised form with a depository.
- 11.7.2 In the Buyback, considering the timelines of activities prescribed under the Buyback Regulations, the acceptance of tendered shares may be undertaken on or after the Physical Transfer Cut-off Date. In such scenario, any of the Eligible Shareholders who are desirous of tendering their Equity Shares held in physical form can do so only after the shares are dematerialised. Such Eligible Shareholders are advised to approach the concerned depository participant to have their Equity Shares dematerialised.
- 11.7.3 However, should the acceptance of tendered shares be undertaken before the Physical Transfer Cut-off Date, the procedure for tendering to be followed by Eligible Shareholders holding Equity Shares in the Physical form is as detailed below.
- 11.7.4 Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach the Stock Broker along with the complete set of documents for verification procedures to be carried out including the (i) original share certificate(s), (ii) valid share transfer form(s) duly filled and signed by the transferors (i.e., by all registered shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company, (iii) self-attested copy of the shareholder’s PAN Card, and (iv) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession

certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of an Eligible Shareholder has undergone a change from the address registered in the Register of Shareholders of the Company, the shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.

- 11.7.5 Based on these documents, the Stock Broker shall place the bid on behalf of the Eligible Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Buyback using the acquisition window of the Stock Exchanges. Upon placing the bid, the Stock Broker shall provide a TRS generated by the Stock Exchanges’ bidding system to the Eligible Shareholder. The TRS will contain the details of the order submitted like folio number, certificate number, distinctive number of Equity Shares tendered etc.
- 11.7.6 The Stock Broker/Eligible Shareholder has to deliver the original share certificate(s) and documents (as mentioned above) along with the TRS either by registered post or courier or hand delivery to the registrar to the Buyback i.e. **Link Intime India Private Limited (“Registrar”)** (at the address mentioned at paragraph 15 below or the collection centers of the Registrar details of which will be included in the letter of offer) within 2 (two) days of bidding by the Stock Broker. The envelope should be super scribed as “**Tech Mahindra Limited Buyback Offer 2019**”. One copy of the TRS will be retained by the Registrar and it will provide acknowledgement of the same to the Stock Broker/Eligible Shareholder.
- 11.7.7 Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for the Buyback shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the Stock Exchanges shall display such bids as ‘unconfirmed physical bids’. Once the Registrar confirms the bids, they will be treated as ‘confirmed bids’.
- 11.8 Modification/cancellation of orders will be allowed during the tendering period of the Buyback. Multiple bids made by a single Eligible Shareholder for selling the Equity Shares shall be clubbed and considered as “one bid” for the purposes of acceptance.
- 11.9 The cumulative quantity of Equity Shares tendered under the Buyback shall be made available on the websites of the Stock Exchanges throughout the trading session and will be updated at specific intervals during the tendering period.

12 METHOD OF SETTLEMENT

- 12.1 Upon finalization of the basis of acceptance as per the Buyback Regulations:
- 12.1.1 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- 12.1.2 The Company will pay the consideration to the Company’s Broker who will transfer the funds pertaining to the Buyback to the Clearing Corporation’s bank accounts as per the prescribed schedule. For Equity Shares accepted under the Buyback, the Clearing Corporation will make direct funds payout to respective Eligible Shareholders. If the Eligible Shareholders’ bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Stock Brokers’ settlement bank account for onward transfer to such Eligible Shareholders.
- 12.1.3 The Equity Shares bought back in demat form would be transferred directly to the escrow account of the Company opened for the Buyback (“**Demat Escrow Account**”) provided it is indicated by the Company’s Broker or it will be transferred by the Company’s Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchanges.
- 12.1.4 The Eligible Shareholders will have to ensure that they keep the depository participant (“**DP**”) account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non/partial-acceptance of shares under the Buyback.
- 12.1.5 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by the Clearing Corporation in the pay-out. Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned back to the Eligible Shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback by Eligible Shareholders holding Equity Shares in the physical form.
- 12.1.6 The Company’s Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback. If the Eligible Shareholders bank account details are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or any other bank, due to any reasons, the amount payable to the Eligible Shareholders will be transferred to the Stock Broker for onward transfer to the Eligible Shareholder.
- 12.1.7 Eligible Shareholders who intend to participate in the Buyback should consult their respective Stock Broker for details of any cost, applicable taxes, charges and expenses (including brokerage) etc., that may be levied by the Stock Broker upon the selling shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the Eligible Shareholders in respect of accepted Equity Shares could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Eligible Shareholders.

- 13 The Equity Shares lying to the credit of the Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

14 INVESTOR SERVICE CENTRE AND COMPLIANCE OFFICER

The Company has designated the following as the Compliance Officer for the Buyback:

Name	Mr. Anil Khatri
Designation	Company Secretary
Corporate Office Address	Plot No. 1, Phase III, Rajiv Gandhi Infotech Park, Hinjewadi, Pune - 411057
Tel	020 42250000, 020 66018100
Email id	anil.khatri@techmahindra.com

In case of any clarifications or to address investor grievance, the Shareholders may contact the Compliance Officer, from Monday to Friday between 10 am to 4 pm on all working days except public holidays, at the above mentioned address.

15 REGISTRAR TO THE BUYBACK

The Company has appointed the following as the Registrar to the Buyback:

LINKIntime

Name : Link Intime India Private Limited
Address : C-101, 247 Park, L.B.S. Marg, Vikhroli West Mumbai 400 083
Contact Person : Mr. Sumeet Deshpande
Phone : +91 22 49186300
Fax : +91 22 49186195
Email : techmahindra.buyback@linkintime.co.in
Website : www.linkintime.co.in
SEBI Reg. No : INR000004058
CIN : U67190MH1999PTC118368

In case of any query, the Shareholders may contact the Registrar, from Monday to Friday between 10 am to 4 pm on all working days except public holidays at the above mentioned address.

16 MANAGER TO THE BUYBACK

The Company has appointed the following as Manager to the Buyback:



KOTAK MAHINDRA CAPITAL COMPANY LIMITED
Address: 27BKC, 1st Floor, Plot No. C-27, “G” Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
Phone : +91-22-4336-0128
Fax: +91-22-6713-2447
Contact Person: Mr. Ganesh Rane
Email: project.techmbuyback2019@kotak.com

17 DIRECTORS’ RESPONSIBILITY STATEMENT

In terms of Regulation 24(i)(a) of the Buyback Regulations, the Board of Directors of the Company accepts responsibility for all the information contained in this Public Announcement and confirms that such document contains true, factual and material information and does not contain any misleading information.

For and on behalf of the Board of Directors of
Tech Mahindra Limited

Sd/- CP Gurnani Managing Director & CEO DIN: 00018234	Sd/- Ullhas Narayan Yargop Director DIN: 00054530	Sd/- Anil Khatri Company Secretary Membership No. FCS-9360
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Date: February 23, 2019
Place: Mumbai

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