

**TRANSCRIPT OF 33RD ANNUAL GENERAL MEETING OF TECH MAHINDRA LIMITED HELD
ON 28TH JULY 2020**

– **Mr. Anil Khatri – Company Secretary, Tech Mahindra Limited**

- Good afternoon, ladies and gentlemen, I would like to welcome you all to the 33rd Annual General Meeting of Tech Mahindra Limited which is being held through Video Conference / Other AudioVisual Means. Before we start the proceedings of this AGM, I would like to give you an overview of the process to participate at this meeting through VC. The facility to join this AGM through Video Conference / Other AudioVisual Means is being made available for members on first-come-first-serve basis. The members who have joined this meeting are kept on mute mode by the Host to avoid any disturbance arising from background noise and ensuring smooth and seamless conduct of the meeting.
- Once the Q&A session starts, Chairman will announce the names of the shareholders who have registered as speaker shareholder one by one. Thereafter, speaker shareholder will be unmuted by the host to enable him or her to speak. Before the calledout shareholder starts speaking he / she is required to click video-on button on the screen and if for some reason they are not able to join through video mode, can speak through the audio mode. While speaking we require shareholders to use earphones so that they are clearly audible, minimize any noise in the background. They are also requested to ensure that Wi-Fi is not connected to any other devices, no other background applications are running and proper light is available to have clear video and audio.
- If there is connectivity problem at the speaker's end, the Host will mute such speaker and the next speaker will be invited to speak. Once the connectivity improves, the muted speaker shareholder will be called again to speak, after other shareholders who have registered completes their turn. We request speaker shareholder to kindly limit their speech/ questions/ clarifications, etc., to three minutes so that all the registered shareholders will get fair time.
- During the AGM if a shareholder faces any technical issue, he or she may contact the helpline mentioned in the AGM notice. With this I would request the chairman to take over and conduct the proceedings.
- Thank you.

– **Mr. Anand Mahindra – Chairman, Tech Mahindra Limited**

- Good afternoon, ladies and gentlemen. At the outset I welcome all the shareholders who are present for this AGM and would like to inform you that due to the COVID-19 pandemic and social distancing norms, your company has made arrangements for the shareholders to join the meeting through Video Conference / Other Audio Visual Means and view the proceedings in compliance with the directions of the Ministry of Corporate Affairs. Live streaming of this meeting is also being webcast on the NSDL website. As the requisite quorum is present for the Annual General Meeting, I call the meeting to order. And I request all the directors who are present for this AGM through the video conference and other audio-visual means to introduce themselves. Thereafter Chairman, called the names of all the Directors of the Company, and they introduced themselves to the shareholders.

Mr. C.P. Gurnani – Thank you, Mr. Chairman. This is C.P. Gurnani, *CEO and MD of Tech Mahindra*, joining in from Noida. **Mr. T.N. Manoharan** – I am speaking from my office in Chennai, *I am chairman of the Audit Committee and the NRC*. **Ms. Shikha Sharma** – Hi, I am Shikha Sharma, *I am Chairperson of the Risk Committee and the Investment Committee*. **Mr. Haigreve Khaitan** – This is Haigreve Khaitan,

Chairman of the Securities Allotment Committee, joining from Mumbai. **Ms. Rajyalakshmi Rao** – *Independent Director*. **Ms. Multi Khaire** - I am Mukti Khaire- *Independent Director* joining from New York, USA. **Dr. Anish Shah** – Good afternoon, this is Anish Shah, I am joining from Mumbai. **Mr. V. S. Parthasarathy** – I am Parthasarathy, I am a *non-independent, non-executive director* of the company.

Mr. Manoj Bhat, the *CFO*, and **Mr. Anil Khatri**, *Company Secretary* of the company are also present in the meeting.

Mr. Jamil Khatri, partner and other representatives of *BSR & Company, statutory auditors* are also present through VC. **Dr. K.R. Chandratre**, *Secretarial Auditors* of the company along with his associates are also present through VC.

The company has received four letters along with the board resolution, authorization letter from corporate shareholders appointing/authorizing representatives under Section 113 of the Companies Act, 2013, aggregating to 34,62,25,425 ordinary equity shares of Rs.5 each representing about 35.83% of the paid-up equity share capital of the company. Since there is no physical attendance of the shareholders, the requirement of appointing a proxy is not applicable. The statutory registers, certificates as required to be kept under the Companies Act, 2013, are open for inspection on the website of the company. The notice of the 33rd AGM along with the audited financial statements for the financial year ended 31st March 2020, together with the directors' and auditors' report have already been circulated to all the shareholders. I now take the notice of the 33rd AGM and report of the directors as being read. Since there are no qualifications or adverse remarks in the auditor's report, I shall take it as read.

- And now let me take this opportunity to report back to you on your company's performance. A year gone by, saw us strengthening of the digital revolution. There was an uptake in demand led by technology upgrades and strong roads in our digital offerings. We won some of the largest engagements in our history which validates our beliefs that our customers appreciate the strong differentiation in our offerings, and our very deep industry expertise.
- Your company also enjoyed an uptake in revenue growth momentum coupled with significant deal wins. We ended the year with revenues of 36,868 crore rupees, a growth of 6.1% over the previous year. The profit after tax was 4,033 crore rupees. In US \$ terms the revenue was 5,182 million US\$ which works out to a growth of 5.6% in constant currency terms. We generated free cash flow of 3,735 crore rupees for financial year '20. And the cash balance stood at 8,805 crore rupees.
- Your company reported 3.7 billion US\$ of net new deals this year, net new deal wins this year, and a marked increase from 1.7 billion US dollars in FY19. We saw growth momentum picking up significantly in the US and the rest of the world, which grew by 6% and 11% in dollar terms respectively. Europe was impacted by weaker macroeconomic conditions.
- Your company's communications business has picked up in growth after 3 years due to modernization spends by communications service providers. It grew by 6.8% in constant currency terms. And your company has invested in 5G and is positioned to capture incremental spends driven by the anticipated 5G technology wave. The enterprise business grew by 4.7% in constant currency terms despite weakness in the manufacturing vertical due to a slowdown in the automotive and aerospace segments. Our growth in other verticals such as BFSI, technology, health care, retail and government services continued at a steady pace. The share of digital revenues has increased to 40% of total revenues representing a growth of 33% over FY19.

- And on 15th April 2019 your company completed its maiden buy-back representing 2.09% of paid up equity at the price of 950 rupees per share. The board is pleased to increase the dividend of 15 rupees per share this year. The total dividend including dividend tax will result in a payout ratio of around 41% in FY20.
- The last quarter of FY20 saw the beginning unfortunately of the COVID pandemic. And that pandemic as we all know has affected every geography, every industry, every family across the globe, and has possibly seen the emergence of as many call the new normal.
- Our associates' health is an absolute priority for your company. And significant efforts were made to ensure the wellness of all employees. Continuity of services compliance was, of course, an equal area of focus. In less than a month your company successfully migrated 93% of associates to a work-from-home operating model thus minimizing the impact of the crisis. This involved managing technology constraints, security concerns and attuning our associates to deliver seamlessly in a remote working model.
- Your company I am very pleased to say also made significant contributions to battling the crisis through various programs, charity drives and employee donations. Exemplary teamwork and collaboration have enabled the company to navigate through these troubled times.
- With the ongoing nature of the pandemic we are seeing severe economic impact in developed and developing markets alike. This is resulting in significant shifts in work culture and business models, social distancing and work from home have even become the new normal. Businesses where physical presence was perceived to be essential are making a shift and essentially transforming to remote service delivery models. Some sectors like telecom, health care and banking have emerged resilient, while others unfortunately, like retail, travel and transportation are experiencing major disruptions. But technology is emerging as a key differentiator in these times. Companies that have a successful digital commerce model are emerging as winners.
- Now I have to say using the phrase 'new normal' is already tried and overused, but one thing is for certain, the pandemic will dramatically accelerate the movement by all companies to a more comprehensive digital strategy. And this is only boding well for companies like Tech Mahindra, that act as a bridge between their clients, current state and their hi-tech digital future. Technology investments combined with remote working are going to provide the tools to navigate through these present times. Benefits will be visible not only in customer outreach and experience but also in operational optimization. Several companies will have to accelerate their digital transformation. We anticipate increased spending on next generation technologies like cloud, cyber security, block chain, augmented reality and virtual reality. We are well positioned to leverage these developments.
- I want to come to the awards that we have received, and I am very happy to report that Tech Mahindra ranks among the top 25 in India's best companies to work as assessed by the Great Place to Work Institute. I am also proud to report that the company was recognized was amongst the best in the mega employer category and listed amongst the best companies for career management. These are only but a few of the slew of awards conferred upon your company.
- On our ESG focus, your company has been following the best environmental social and governance norms and has adopted global best practices. Tech Mahindra is firmly committed going carbon neutral, conserving and deploying resources efficiently, transitioning to a low carbon economy while creating sustainable value for our stakeholders. I am pleased to inform you that we have been chosen once again as one of the three companies in India who are on the DJSI World Index.

- On the CSR front the Tech Mahindra Foundation has since inception directly impacted over 260,000 lives and over 1.5 million indirect beneficiaries through our focus on employability, education and disability. In addition, over 150,000 people have been supported during the COVID crisis over the last few months through distribution of meals, rations, hygiene kits and so on. I am very grateful to our associates who are joining in the food donation drives, and for their individual social contribution activities.
- Overall the year gone by saw a significant movement in our key markets. While the pandemic has momentarily halted that journey, it is also throwing up significant opportunities. We are going to continue to innovate, adapt and help adopt and help all our businesses navigate through these troubled waters.
- In closing, my sincere thanks go out to the entire Tech M family of shareholders, fellow directors, partners, collaborators, associates, government and regulatory authorities and our valuable customers for your belief in us, for your understanding and for your co-operation with us over the last 30 years. You have been with us through thick and thin, you have contributed greatly towards making Tech M the great institution that it is today. I look forward to your participation and support as we continue to transform and to rise.
- Now let me get back to the AGM proceedings. The company had made requisite arrangements for remote e-voting in accordance with the applicable provisions of the Companies Act 2013, to enable the shareholders to vote on the items to be considered at the AGM. The remote e-voting commenced on July 23rd 2020 at 9 am and concluded on July 27th 2020 at 5 pm as mentioned in the notice of the AGM. The facility of voting is also provided at the meeting for those members who have not yet voted. Members may please visit the voting page for the NSDL e-voting platform and cast their vote while viewing the proceedings of the meeting.
- The AGM is held through VC or OAVM, and the resolutions being considered are
 - to consider and adopt the financial statements of the company for the financial year ended 31st March 2020 and the reports of the board of auditors, board of directors and auditors there on.
 - To consider and adopt consolidated financial statements of the company for the financial year ended 31st March 2020 and the report of the auditors there on.
 - To confirm the interim dividend paid on equity shares and to declare final dividend at Rs.5 a share for the financial year ended 31st March 2020.
 - To appoint a director in place of Mr. C. P. Gurnani who retires by rotation and being eligible offers himself for re-appointment.
 - To consider appointment of Dr. Anish Shah as a director of the company.
- As mentioned in the notice, the resolutions have been put to vote through remote e-voting and in view of this there will not be any proposing and seconding of resolutions. Please note and those of you who have already cast your votes on the remote e-voting platform shall not be again permitted to cast your votes in this AGM. And, of course, votes once cast cannot be changed subsequently.
- **Mr. Jayavant B. Bhave**, *Practicing Company Secretary* and Proprietor M/s. J.B. Bhave and Co.- Company Secretaries has been appointed as the scrutinizer to scrutinize the votes cast during the meeting and through remote e-voting method.

– I now invite the shareholders who have registered their names as the speakers who wish to seek clarification on the financial statements and proposed resolutions to field their question. While I will attempt to answer all the questions asked by the shareholders, due to connectivity issues if I miss some rest assured our secretarial team will get back to you with the answer. I request you kindly be precise, avoid being repetitive please be do limit your speech to 3 minutes since many have joined us.

– I will now request Mr. Arun Kumar Bopanna to come on.

– **Mr. Arun Kumar Bopanna – Shareholder**

– Yeah, Namaste, thanks to Mr. Anil Khatri and his team, their service is supreme, first in digital life you get redeemed. Welcome to Ms. Shikha Sharma, it is good to follow your dharma. IT was supposed to simplify life, but Corona gave us lot of strife. Compliments to the management for their good judgment, focusing on employee health and safety, knowing the problem was to be weighty. The questions, sir, business models are changing how will Tech M do the rearranging. Economists will be struggling after the COVID, challenges will be doubling will Tech M practice shoveling. While AI disturbed jobs in the net, will Tech M create entirely a new set. Indian youth need stable jobs. dwindling the government jobs, start-ups are offering flexi jobs, will Tech M offer flexi jobs, are IOT, block chain are great opportunities, will Tech M seize the opportunities for serving the global communities. Will Tech M sow the seeds to meet all future cyber safety needs. Digital channels are becoming main stream, how quick is the retail team. I would like to sum up, sir, an old gentleman was qualified for the film venture and I'm glad that he didn't go into that venture. I wish all the best to Mahindra Group and all stakeholders in the group, thank you very much, all the best.

– **Mr. Anand Mahindra – Chairman**

– Thank you very much, Arun, it is good to see you here. May I now call upon Mr. Aspi Bhesania.

– **Mr. Aspi Bhesania – Shareholder**

– Sir, I am pleased to see our chairman in excellent health. Sir, in 1st quarter our income has increased on year and year and profit has increased on quarter and quarter in spite of all possible problems in the economy for which I congratulate the entire management, and I hope you deliver good results in this year also. Sir, is H1B visa in any way affecting our Company and are we involved in 5G launch by Jio. Sir, thank you and all the best.

– **Mr. Anand Mahindra – Chairman**

– Thank you, Aspi, and I appreciate your questions and good to see you looking well too. May I now request Mr. Tamal Kumar Majumdar to ask his questions.

– **Mr. Tamal Kumar Majumdar – Shareholder**

– Yes, sir, hi, Mahindra saab, nice to see you after a long time, after one year. I hope all of you are in good health and spirit. Myself Tamal Kumar Majumdar from Kolkata. Sir recently your gesture towards the teacher couple who used their entire savings to feed poor students and their families on the basis of Times of India report touched our heart. And hearty congratulations to Gurnani Saab for your elevation as a Non-Independent Non-Executive Director of our parent company, Mahindra and Mahindra. I strongly believe that it is actually a recognition for your efforts in the last few years and having reinvented and having changed Tech Mahindra a leading force to the economy. Sir, I have some queries relating to audited

accounts and other matters and while we are meeting after a year, so I am seeking your indulgence for some extra time. Sir, the company booked a massive 1463 crores during financial 2020 as dividend, income on investment, distribution from benefit trust and other income. As I noted main contributor to it is Tech Mahindra America Incorporated which declared a dividend of US\$ 136 Million against its PAT of US \$ 54.2 million during the financial year 20. If you convert it into rupee at on or 31st March 2020 at closing price of Rs. 75.32 then it comes to 1027 crores. Whether any other subsidiary declared dividend and total amount received from distribution from benefit trust during the year is to be disclosed. Sir, in the coming scenario what will be our policy for takeover of companies in financial year 21. Whether we will conserve cash or go for bargain hunting. And, sir, nice to hear or nice to know from you that 90% or 93% of our employees are working from their home. I want to know whether it has any financial impact in our accounts. Sir, the company's dependence on communication industry is still high at 46.1 % in financial year 2020. Though it is decreasing in a phased manner for the couple of years after investment in 5G enterprise project which our CEO mentioned yesterday that it was delayed in Q1 of financial year 21, what is your game plan for decrease in dependence for that during the next 5 years. Please also share with us the net margin on communication segment. Sir, TCS has booked a margin of 29.7% in segment during FY20. Our margin from manufacturing and banking and insurance are also to be disclosed for financial year 20 and Q1 of financial year 21. Sir, in Q1 financial year 2021, manufacturing was the vast wide vertical falling 11% sequentially in revenue whereas media and enterprise grew by 13% and communication declined 8.6% on quarter on quarter. Would you please share your thoughts in respect of all verticals for the remaining part of the year, Sir, during financial year 20, our Americas and Europe contributed 48.1% and 26.9% of our total revenue. And considering the deteriorating COVID pandemic during the current year what is your expectation of earning from Americas and Europe during financial year 21. But, sir, though our acquisition rate decreased from 20.8% to 19.1% during financial year 20, yet it is still much higher than TCS's 12.1% during financial year 20. Whether different initiatives taken by the management started giving positive results. Sir, please share your thoughts in this regard. And, sir, we have a strong presence in China, we have three subsidiaries in Beijing, Shanghai and Nanjing, in the light of COVID-19 scenario and deterioration of Indo-China relationship, would you please share your thoughts in this respect. And, sir, our company provided 555.4 crores as diminution in the value of investment of 5 subsidiaries during FY20. One of the subsidiaries of Tech Mahindra Servico De Informatica SA LTDA has a negative net worth 47.84 million Riyals, as on 31st March 2020, whether our company will close down this unit against which it provided amount or dispose it or turn it around, please share your thinking in this regard. And, sir, from page 226 I noted that the closing balance of company's investment in Bajaj Finance Limited, HDFC Limited and Kotak Mahindra Investments Limited, what is the average coupon rate in this respect during the FY20. And what is the present status of SLP filed by the Enforcement Directorate before the Honorable Supreme Court against release of fixed deposits as per Honorable High Court order earlier attached by them. And, sir, whether the management received the indemnity from the claimants through awards in trust for remitting settlement amount till date. And lastly, my special thanks to our beloved Company Secretary, Khatri Sahab, for maintaining cordial relation with us. He used to reply mails and calls within minutes. Thank you, Mr. Chairman, for selecting such a wonderful person as a Company Secretary. Thank you all for patient hearing.

– **Mr. Anand Mahindra – Chairman**

– Thank you, Tamal, good to see you. May I now request Mr. Anil Parikh to put his questions forward?

– **Mr. Anil Parikh - Shareholder**

– Hello, good afternoon, sir, Anand ji. It is good to see you after a gap of one year. And I always read tweets which you are doing for social causes and all that, very good tweet, your twitters are very good. Sir, as the

economy continues to combat the unprecedented uncertainty caused by COVID-19 this year, and this is a challenging year for all of us. We all are sitting at home and attending this VC but we are committed to see you again physically next year in the hall meeting because we find it uncomfortable to attend this VC. It is my humble request that kindly have next year if all goes well we can have a physical meeting.

- Sir, secondly, I would like to thank our CS team headed by Mr. Khatri, Mahesh, Siddharth, and all for doing a wonderful job, and helping us to attend this VC meeting and presentation of our annual report.
- Sir, consolidated revenue has gone up by 6%, and our main three areas are USA contributing 48%, Europe 27% and rest of the world 25%. Sir, I would like to know can you give us breakup of rest of the world and who are our 10 top clients. Sir, our consolidated PAT has gone down by 3914 million, sir, what are the reasons? Sir, in all I can say it's a good performance and our board has done excellently well with the help of our 125,000 odd professionals and I thank you all for 300% dividend. Sir, my next question is in the year 19-20, we had a merger of TMGFL and DynaCommerce, sir, whether that merger is positive or negative. Sir, this year I am congratulating our board and Anand Mahindra ji in particular for considering buy-back of 9.55% of total paid-up capital at an attractive coupon rate of 950 rupees per share against today's market rate of 684 rupees. Sir, thank you very much for doing that, and I would like to know when will the second trench of buyback will happen. Sir, about our 125,000 professionals, are they all safe and what kind of precautions we are taking to keep them safe. And how many of them in percentage working from home, I would like to know, sir. Sir, this year we have made acquisitions 18% stake in Infotek and Vitaran, also in Cerium 70% stake and 100% stake in Zen3 solutions. Sir, what are your views for these acquisitions? Sir, also I would like to congratulate for timely exit from FixStream and TeraPayment because it was our loss-making units. So, you are doing wonderful job as far as the CSR activities are concerned, and also I would like to congratulate for awards and accolades received this year by our company. Sir, all in all we all are very happy being associated with you as a shareholder and I will continue to be a shareholder of this company. Thanks for patient hearing, thank you, sir.

- **Mr. Anand Mahindra – Chairman**

- Thank you, Anil bhai. May I now call on Mr. Sailesh Mahadevia please?

- **Mr. Sailesh Mahadevia - Shareholder**

- Respected Chairman and distinguished directors and members present at the meeting. Sir, Namaste to all of you, and nice to see that all of you are in good health. Sir let me congratulate you first for the excellent result which we have obtained in the year under consideration. Sir, I would also like to appreciate that our report is exhaustive and transparent. We have achieved use of various technologies including 5G and various other technologies like artificial intelligence, block chain, etc., which will give good results and it has already given the same in the year under consideration in foreign countries. Sir, we have further achieved 40% digital revolution. And lastly, sir, we have received recognition from various sources individually as well as an organization by receiving various awards. And, sir, my last appreciation is the assistance which we have received from the secretarial department which has enabled us to participate. Sir, now a few questions with a view to increase my understanding and appreciation. Sir, my first question is that we are well geared up for 5G technology and I understand that this technology will be introduced in India once we have the spectrum, though the same technology is being used in foreign countries already. Sir, I would like to know what benefits and how soon we are likely to derive from the introduction of this technology in India. Sir, secondly, we were always historically experts in telecommunication business and association. Sir, this telecommunication sector is becoming now more and more important and is likely to bring fruitful results. Sir, I would like to know how we are going to benefit from this particular sector of

our business. Sir, my third question is regarding the intellectual property rights, sir, our business is substantially dependent on the various patents which we are also enjoying. Sir, what I would like to understand is and what I understand is that intellectual property rights comprises of 3 or 4 things, patents which are already approved, patents which we have applied for, various research papers which have been submitted during the year and our participation in various seminars where original ideas are being presented. Sir, I would like you to confirm or correct me regarding my understanding of these intellectual property rights. And in the same area I would like to know the recent trends, whether we are enjoying these patent rights, they are product patents and processed patents and whether all these patents are independent in our own name or some of them are jointly with our clients. Sir, my next question and concern is regarding the EBIT margin, last year we had a discussion on the subject, and we were expecting that it is likely to increase in the years to come. However, we find that in the current year it has actually gone down from 18.2% to 16.6%. Sir, may I know what result we can expect in the next year and the coming years. Sir, my next question and suggestion is that you should always provide glossary of various words. It becomes very difficult for us to understand particularly when technologies are changing on a regular basis, and each technology has different benefits under different situations. And abbreviations, of course, you are giving which we would like you to continue. Sir, some of the things which I don't understand which if it can be explained. For example, we are talking about virtual reality, augmented reality, extended reality, sir, can you explain these terminologies in this meeting. And sir, lastly my request to prepare an integrated reporting system as it is already being done by our parent company, Mahindra & Mahindra, it is extremely important for our company also to prepare the integrated reporting system. It is of international value, and it also makes one introspect about the utilization of various resources which are not limited to only financial resources. And lastly, sir, I did not have the opportunity to know about the quarterly result, will you please share that result briefly and let us know whether that will be the trend in the rest of the year. Sir, with this I wish our organization and each one of you every success and good health, thank you.

– **Mr. Anand Mahindra – Chairman**

– Thank you very much, Shailesh Bhai. May I now request Mr. N. Nachiappan to put his to questions forward please

– **Mr. N. Nachiappan – Shareholder**

– Sir, my first question is I kindly draw your attention to page number 191 a final report standalone financial statement. In that a provision for doubtful receivables and the bad debts written off are 2451 million that is which is 77 percentages higher than the previous year, the previous year's figure is 1384 million. Now why is such a huge amount of provision and bad debts written off? Similarly advances also written off to the tune of 85 million. Now what is the system in place to approach such huge bad debts write off whether audit commit approves it or board approves it or any committee approves it. My next request is, one request on behalf of all shareholders. As soon as the quarterly results of the financials are announced, is it possible to send the financial results by email to all the shareholders. See this will create a more confidence in the company and it is also a good corporate governance practice. That's all from my side, thanks for the opportunity given, and all the best, take care.

– **Mr. Anand Mahindra – Chairman**

– Thank you very much, Mr. Nachiappan. May I now request Ms. Ashalata Maheshwari ji please.

– **Ms. Ashalata Maheshwari – Shareholder**

- Mr. Chairman and all the directors, my name is Ashalata Maheshwari. I am seeing you online. And today we are meeting you in a serious situation. While the entire globe has been affected badly by the COVID pandemic, but you have along with your team faced all the challenges and increased our growth and enhanced the shareholder value. Chairman sir, I have a very old relationship with you. So I will first of all say, *zindagi gujar jaaye par aap se pyar kabhi kum na ho. Yahi yaad rakhna chahe paas hum na ho. Qayamat tak chalta rahe ye pyar ka rishta Khuda kare aap se pyar mera kabhi kum na ho.* I would like to thank Mr. Anil Khatri and his team who in spite of having 150 subsidiaries have managed to finalize the accounts so quickly. And they have made the online balance sheet in such a way like Rishi Valmiki has written the whole Ramayana, they have made a very good balance sheet. And I am also congratulating you on your improved performance in the market. After seeing the results will be called as excellent especially after seeing the COVID pandemic people should pay their revenue tax and you have also increased the dividend, so I am thankful. Chairman sir, just as you announced the results of the first quarter on the TV, the share prices increased a lot, and everyone has made a lot of money. And anyways, while you are there, Anand ji, we do not have to worry about anything because the name of our Chairman is Anand, he will never allow anyone to be sad, he will always give joy and happiness. But Chairman sir can you tell me one thing. I have been seeing you for so many years. Your body is the same as it has been. I don't know what your diet is. But I see your body is the same as it has been. You look the same. Tell me about it. And I would definitely like to say for you, that there are many stars for the moon. But for the stars there is just one moon. There might be thousands for you, but today for me you are one in a million. Today you spoke about delivering sustainable digital transformation of innovative and customer centric services and solutions to integrate technology with the business, that is why it has brought fruit. And the company has become among the top 5 Indian companies. I give you a lot of best wishes because you have 40 digital revenues. Congratulations to you.
- And I would like to give the credit for this to our brilliant and promising Mr. Gurnani. And I would like to say for him, the brave who walk on the path of struggles, they are the ones who take the company ahead. The one who has won over the darkness, difficulties and their own battles, they are the ones who shine like the sun. He is doing so much hard work, which is why Mr. Gurnani you are shining as well. I had just seen you, you are doing a lot of hard work and you are shining a lot too. so, keep working hard this way. And as we have 1,25,000 employees, and they are spread in more than 90 countries. And in revenue distribution America has the maximum contribution in the geography. So, Chairman Sir followed by Europe and rest of the world, so in the current year when America is in the worst position, so what impact can that have on the revenue?
- COVID-19 pandemic will celebrate accelerated technology adoption. I am happy to see that you have done a new deal of 3.7 billion. And your company comes under IT 50 for best place of work. All this has been possible due to the MD Mr. Gurnani. I would like to again say for Mr. Gurnani that roses are blooming among the rocks, lamps are burning in storms. When I saw him at the meeting I felt as if the moon was rising.
- Even today in our board we have Mrs. Shikha Sharma, Mr. Anish Shah and Mr. Khaitan who are all new to the board. I welcome them all. They are all quite well qualified and influential in their fields. After them joining us the company will progress more. Chairman Sir, I wanted to personally welcome all the new board members. But you know that today due to COVID I cannot personally welcome them. I am not liking that. But I will pray for them to God. May God give you and your family a very long and happy life. I would like to salute all the employees and executives who have taken the risk to their lives and worked towards the progress of the company. Especially Mr. Anil Khatri who is very soft spoken and experienced. He is giving very good investor service. It is very rare to get such Secretaries. Chairman Sir you must elevate him

now. I have been seeing him for many years. Now it is time for him to be elevated as well. It will be good. His personality is quite good. Today he is wearing a tie as well. He has a good personality. I give my good wishes and it will always be there as long as I live.

- That is all I would like to say here Chairman sir. I would like to give my good wishes. What can I give you apart from good wishes, May you never have any unhappiness in your life. This is my best wishes for you. I will meet you again in the Mahindra & Mahindra meeting. May god give you a long life. I give my full support and thank you.

– **Mr. Anand Mahindra- Chairman**

- Thank you so much Ashalata ji. May I now call on Mr. Kirti Shah?

– **Mr. Kirti Shah – Shareholder**

- Anand ji the working which you gave is very good. And the dividend which you gave is also quite good in today's time. You have given 300% dividend. That is a very good thing. Hello? And your dividend
- In the current year it is 2.50 which is less but no problem. It is okay if it is less for one year. But be careful in future.

– **Mr. Anand Mahindra - Chairman**

- Our profit was 1391 crores. Chairman Sir it has come down quite a bit in the current quarter. 854 crores are left in the June quarter. How did it come down so drastically? Can you tell us about that? And net profit margin was 18% which has come down to 12% only. So can you tell us about that? Chairman Sir why is our PE so low compared to industrial PE? What are you thinking about that? Industrial PE was 22.78 and our PE is only 16. So our PE is quite low. Hello? Chairman Sir.
- Our PE is quite low sir. So think about that as well. And why don't you want to increase the promoter holding? It is such a good company then why is the promoter holding so less at 35% only? 35.83% only. So your FIS holding is 39.63% and domestic issues holding is around 8.10%. So I think we need to increase our holding quite a bit in this. SEBI has given you special powers so you can go up to 75%. So if you think about that then it will be good. Chairman sir after so many years' price to BV is quite low. Price to book value is quite low. So think about that as well that in spite of being such a hard case we are not getting the impact in the market in the manner in which we should get it. So it is required to be thought of as well. Wish you all the best. Thank you very much sir.

– **Mr. Anand Mahindra- Chairman**

- Thank you Kirti Bhai. May I now call on Mr. Bijnan Singh Shrimal.

– **Mr. Bijnan Singh Shrimal – Shareholder**

- Mr. Chairman Sir, members of the board, my investor friends, I am BS Shrimal from Kolkata. I am extremely grateful to you sir for giving me the opportunity to interact in the meetings and proceeding of this AGM. So my video is not available. And share our views and suggestions. Sir here I would like to have my fond memories of the meeting with senior Mahindra when he sued to chair the meeting of Hindal at Kolkata, with great ability. Sir the COVID has thrown up a great opportunity to organize AGM in the virtual

mode. And it has definitely opened up equally great opportunity to participants to join the meeting at the AGM by investors all over India, so as to say even from abroad. Sir before I go away and share my views of accounts, I would like to place two very important suggestions for your kind consideration and implementation please. Number one the figures should be in crores only instead of million as we in India better understand and are conversant if we hear in crores. Moreover, even in multinational companies like HUL publish their accounts in crores. Number two, the annual report contains about 340 pages only and that you agree and appreciate, is not further stretch of imagination is possible to go through at this time of year end lining up of the AGMs. And there I would suggest that you should also give a consolidated account along with it so as to narrow these figures to concentrate in the accounts only instead of running through the pages. Sir what is the total capacity utilization by the company to date? Have we reached the before COVID-19 level? I would also like to offer my thanks to the Chairman Mahindra and his efficient MD CEO Gurnani ji and his management team for producing indeed a reasonably good result under the very challenging environment. And we find there is a definite downward trend in the economy. The company has performed as appearing in page 19, shown a downward trend in all the fronts and by all the parameters compared to last year and year before. The same is this year a matter of great concern to the investor community as the trend continues downward for three years. Sir what is the outlook for the current year please as the COVID-19 has no impact on the industry to my mind. Rather it opened up a new vertical and special digital and artificial intelligence front.

- And said so, now I would like to take up the dividend payout. Sir you have paid Rs. 15 per share on the PAT of 217130 million. Which works out to 12.67% only. Whereas your dividend policy says that it should be paid 20%. When the investors are facing huge cash crunch and for many small investors, we want dividend earning while the company under the dynamic leadership of Gurnani ji could manage to improve its profitability in a standalone basis. Should you have declared a higher dividend? I would also like to point out that companies like HUL is distributing dividend to the tune of 91%. Usual practice for payment of dividend is on the next day. I would request you to please see that the dividend is credited to the investor account by tomorrow or day after by the latest. I feel sir I would request the management to take a-- Sir enable the investor to enjoy the tax-free benefit you could have declared an earlier dividend before 20th March. Even the second interim one.
- Sir in profit and loss account, the finance cost has gone up to 667 million compared to 431 million. Would you kindly enlighten us the increase and whether it could continue in future? As well as steps for debt reduction. Your total capex for the current year. As the current year is going to be very tough, could you spell out the cost control measure envisaged by you? The finance performance appearing in page 133, if it is columnar form giving the consolidated figures as well, with the standalone it would have helped the investor to understand both the working and the standalone subsidiary of the total subsidiary company.
- The help extended by COVID-19 by the company is very laudable. You have stated as 24 acquisitions made by the company, could you please enlighten their working and conclusion to the revenue and profits of the company and the capital investment made? Impediment of investment is 5554 million compared to 1021 million last years. Could you kindly explain sir the reason? I must appreciate very highly the informative as well as wonderfully presented annual report. To incur higher confidence level to the small investors I would request the Chairman to get the balance sheet signed by all the directors, especially independent directors, and also give a short resume of all the directors giving their qualification, age and experience. Please, so that we could understand them better. Sir with this I would like to conclude and thank you very much for giving me a very patient hearing. Sir and I wish you all a safe life sir. Thank you.

– **Mr. Anand Mahindra- Chairman**

– Thank you for your good wishes. May I now call on Behrouze please?

– **Mrs. Humayun Behrouze – Shareholder**

– I am continuing. Sir I have already given a long list of questions and I am not going to repeat those questions. Sir I want to ask sir we are number 5 in the IT companies. when we are going to cross the ladder.

– Sir are you having offices in China?

– **Mrs. Humayun Behrouze – Shareholder**

– And sir you mentioned just now you have growth in USA. Sir are you having more employees in UK than in USA? Sir how many countries you are at present? Sir how many patents have you registered? Sir are you having R&D department? And when will the 5G will be available to the people of India? Sir I must compliment to secretarial team. Sir this meeting has taken so many days of preparation. They have constantly been in touch with us, the Company Secretary, your entire team. And we could finally speak here and the meeting could fructify. So we compliment them for their hard work. Sir what about your amount spent on CSR? Sir you mentioned the wonderful CSR activities the company is doing. Wonderful. Sir what about work in Jharkhand floods and in Bihar floods? Sir how much work order do we have? And sir last question, how many people are viewing this audio? Because in Reliance Industries we were informed so many thousands are viewed to this watching. We are missing the physical. We would have met you personally, and all the directors and MD. We are missing that very much. By the grace of god next year, we will come and meet you personally along with all the directors. Thank you, sir. Now I am handing over the phone to the next speaker Behrouze Puradei.

– **Mr. Behrouze Puradei – Shareholder**

– Respected Chairman.

– We are able to attend this meeting through VC, video conferencing. Sir we are very glad that your secretarial team has taken the trouble of always contacting us and always on the call. Whenever we ring them up they are always on the call. Sir we are very happy that even Mr. CP Gurnani, he has been reappointed as the managing director and CEO and he is attending the same meeting through VC from Noida. So Noida is a very dedicated, what you called, IT sector after Bangalore and Hyderabad. We would like to know in how many countries you are present. And why should we remain in China? Because China was going to give 5G technology to UK what I think, Boris Johnson has now rejected China. So I think even they can't help. And you should be in the forefront. Sir we wish our company all the best and we are glad that you are interim dividend as well as final) dividend. In these trying times, actually dividend is the main source. Sir we support all your resolutions, especially the resolution for the appointment of Mr. CP Gurnani. So he is always coming on TV and he is addressing all the stakeholders. We wish our company all the best. Thank you very much. Jai Hind! Jai Bharat!

– **Mr. Anand Mahindra- Chairman**

– Thank you Behrouze. Thank you Humayun. May I now request Hitakshi Patel please?

– **Moderator**

– Sir I think the shareholder has not joined the call. So can we please move on to the next shareholder on the list?

– **Mr. Santosh Kumar – Shareholder**

– **Moderator**

– Mr. Santosh Kumar your line has been muted. Can you please switch on your video and ask your question?

– **Mr. Santosh Kumar – Shareholder**

– Respected Chairman and all the participants present and our shareholder brothers and sisters and the management colleagues. My greetings to you all. Due to COVID now I am speaking from Kolkata and I am able to meet you all Sir. Otherwise we would have never got a chance to go and attend the meeting. Because I am old, I don't go out. Should I say thanks to COVID or the problems, whatever you call it. That is why I am attending your meeting sir. I would like to thank your management and CFO and everyone. This was a tough period that went by for us. Also, the tough period which is coming up. Yet you gave us a very good dividend. So, thank you so much for that. I would like to also thank you for the expenditure you took up in CSR. You spent that money in educating people. That is a very big thing that you have done. Everyone helps out in the health front. But you have done this job in education which is very good. So I would like to thank the CSR team for this. I would also like to thank you for giving equal employment opportunities to women. Because you have 33% of women employees. It is quite good. It is quite good within the industry. You have given them employment which is good. Even your disabled employees are 27. So please think about moving this ahead and make them capable. And sir now work from home is going on. What percentage of employees are working from home? And in future if this is continued then it will be good. Social distancing will be maintained and there will be less congestion at work. And you will also get more work. So, pay attention to that. And many big companies are registered with STPI, So please let us know if you have applied for any permission from the government. We have our investments in China, and there is a tussle going on with China, so what problems can we incur because of that? Please let us know what will be the status of the investment. Apart from that I would like to request the Secretary that normally directors write their DIN but he has not written his ACS number anywhere which is the company's requirement. So next time please be careful about this, if the directors can give their numbers then what is the problem in you giving your number. You must give it.

– Apart from this I wanted to ask 2 questions. In page numbers 155 and 156 there are quite a lot of disputed cases. The Satyam case is also there. The government has a scheme 'vivad se vishwas aur sab ka vishwas' can't we settle under them. Can you settle with that and manage something with that? If you can then please pay attention to that sir. I have another question sir. This 15-crore bond that you have, what is this for? Is it given to some party, please let us know the name if you can. If it cannot be told, then don't tell us.

– Apart from this I would like to tell you that today we are doing a video meeting. So, what is the difference in the costing between physical meetings and video conference meetings. How much did you spend in the physical meeting last year. And what is the estimated expenditure in this video conference meeting? I am asking this so that the shareholders have the knowledge that instead of a physical meeting if we go for video conference meetings, then how much money will the company save from our end. That money will be

useful for us. Sir thank you so much to everyone. Jai Hind! Jai Bharat! Thank you so much for giving us your time.

– **Mr. Anand Mahindra- Chairman**

– Thank you Mr. Saraf. May I now call upon Mr. Mukesh Chandaramani?

– **Moderator**

– Sir Mr. Mukesh has not logged into the call. Can we please move on to the next shareholder on the list?

– **Mr. Anand Mahindra- Chairman, Tech Mahindra Limited**

– Yes, our final shareholder of the day will be Ms. Lekha Satish Shah. Lekha ben?

– **Ms. Lekha Satish Shah – Shareholder**

– Hello?

– **Moderator**

– Mrs. Lekha, can you please put on your video and ask your question? Your line has been unmuted.

– **Ms. Lekha Satish Shah – Shareholder**

– Board of directors and my fellow members. Good afternoon to all of you. Myself, Lekha Shah. I am very thankful to our Company Secretary Mr. Anil Bhai Khatri ji, especially Mr. Kulkarni ji for sending very good investor details and also sending me the email well in time. It is full of knowledge, facts and figures in place. Due to pandemic COVID-19, we all are taking crisis on how to stay home.

– **Ms. Lekha Satish Shah – Shareholder**

– Okay thank you sir. I would like to congratulate our company on winning various award like IT at the second edition of CNBC Awards, CEO awards for the year 2019. Innovation award in the People Innovation category from the Economic Times etc.

– **Ms. Lekha Satish Shah – Shareholder**

– Sir I am confident that with your vision and determination you will lead our company to greater heights. And also, I pray to God our company should progress more and more under you and your team. So I wish our company good luck for a bright future and I support all the resolutions. Thank you, sir.

– **Mr. Anand Mahindra- Chairman**

– Thank you. Thank you Lekha ben. That was the final question. But before I answer the shareholders' questions, I would very much like to share with all of you, one video that illustrates how our Tech Mahindra team responded to the COVID-19 pandemic. And one more video that illustrates the various initiatives taken by your company in making it a great place to work. May we please have the videos?

– [Video 1 is played]

– [Video 2 is played]

– **Mr. Anand Mahindra- Chairman**

– So ladies and gentlemen, let me start with the answers to the questions. The first question is from Arun Kumar Bopanna. Arun it was good to see you. First of all, let me tell you that the question about business models and how will Tech Mahindra do the rearranging, your company has been aligning business strategy and service offerings to respond to dynamic changes in the external environment. Our 3-4-3 strategy focuses on 3 megatrends, 4 big bets, and 3 objectives for our customers. Accordingly, we are continuously working on launching new service offerings and expanding into new geographies, regions and industry verticals. Your company will continue to evolve and innovate with newer models going forward.

– The second question was about economy struggling and challenges doubling and how will Tech M duck the struggling. Now we have always successfully navigated through troubling times and we have come out stronger and better. And the recent quarter is an example of how successfully we have navigated the challenges. So trust us, we will certainly do – we certainly don't see ourselves struggling against these challenges.

– Will AI disrupt jobs in the net? And will Tech M create an entirely new set? That was your question and I want to tell you that new and disruptive technologies such as artificial intelligence, machine learning, automation, robotics, all of these have the potential to disrupt the job market. The jobs mostly getting impacted are routine and repetitive and they require low skills such as transaction processing. However, there would be new opportunities which will emerge requiring new talents and new skill sets, and then that will need reskilling and up-skilling and training on new technologies. But rest assured your company has been investing and will continue to invest in new technologies. And we will keep building innovative solutions to improve customer experience. We are also strengthening our competencies with in-house platforms, partnerships with top providers, and start-ups to enhance our portfolio.

– You then asked will Tech M offer flexi jobs. Yes, we do offer part time and fixed contract jobs that are flexi jobs.

– The next question is artificial intelligence, IOT, Blockchain, these are all great opportunities. But how will we seize these opportunities for serving global communities. New technologies such as AI, IOT, Blockchain, cyber security, they have all got the potential to disrupt the market place. But they also offer great opportunities. And we have been investing in these technologies to build solutions to serve global communities in the areas of carbon emission. Smart cities. And in fact most recently to fight against the pandemic. Let me give you some examples. For our Tech M medicine platform, we had remote medical assistance via remote consultations. We had an SOS Seva, citizen help managing emergencies, helping all citizens to stay safe and ensure that they get quick help. And then we had the e-pass emergency solution. Managing emergencies, controlling the movement of people during the pandemic. So many, many things put together which I think brought a tremendous benefit to society.

– The next question, digital channels are becoming mainstream. When will Tech M have the team? Well we already have a team to focus on digital technologies. Digital revenue contributed 40% of our revenues in FY20, and recent Q4 it contributed 44% of revenues. As a global digital transformation provider we helped businesses adapt in this very fast changing digital landscape and we have scalable, replicable, and sustainable outputs and outcomes. So digital is mainstream for us and our company is committed to

contribute to the vibrant digital revolution. I think that covers many of your questions Arun. And once again it was good to see you there. Let me move on to the next query.

- Now let me see. The next questioner was Aspi Bhesania. Aspi again good to see you. Your question was being we investing in 5G technology. Now the telecom industry has its own upsides and downsides, and we have actually been investing heavily in 5G over the last several years. I think we are going to gain due to our bets in telecom and enterprise 5G. Because we work with all global telcos on 5G programs and we are confident that it is going to result in growth for us. Interestingly this pandemic has increased dependence on the telecom network more than ever. Social distancing, work from home – I have a suspicion it is going to continue in the longer term in many geographies and for most companies. So, I think telecom companies are going to look to invest and expand the existing network. Now we work with all major telcos in India and globally and we continue to look for opportunities in this space.
- Your next question Aspi was about H1B visa issues affecting our business. Very common concern most people have after reading about the moves in the US. But to be honest we don't see any meaningful impact because of the recent presidential order on H1B and other areas. You know Tech Mahindra has significant localization levels of 45% to 50% in the US. And we scaled up from the mid-twenties a few years back. So also in light of COVID we see potential for more off-shoring possible in the long term. So for now I think you should be assured that we have significant onsite presence to cater to current demand, and I don't expect any issue on Tech M operations as of now. I think that covers your questions.
- We move on now to Tamal. Tamal the company you asked whether the company booked a massive 1463 crores during FY20 as dividend income, on investments and distributions from benefit trust under other income against last year's figure. You wanted us to share some details on that. So the FY20 dividend income of 1463 crores in the standalone books included dividend of 980 crores received from our US subsidiary Tech M Americas, and I was not their last year. And the earning from distribution, from the Tech M benefit trust in FY20 was 278 crores.
- You asked a general question about our M&A policy of the company. Now we evaluate all potential opportunities. However, our inclination so far has been towards smaller sized tuck-in acquisitions as we call them. Those help to fill the wide spaces in the few service offerings and focus verticals. Now M&A will continue to be a strategic pillar for our company. But let me assure you that we are very, very focused on capital allocation and making completely sure that all our investments, payoff and provide the adequate return on capital that we are looking for.
- You then asked what is the impact on cost and future plans of work from home. Now work from home didn't lead to additional costs for us. In fact, it helps in consolidating facilities and saving costs over the long period. And also, as an operating model we found that the employee productivity interestingly was the same and even higher during this period. The next question was the net margin and communication in segment BFSI and insurance. You know Tamal we don't really give away data on margins. That is competitive information. You asked what is the earnings from the US and other countries. Well we get around 48% of our revenues from the US and around 27% from Europe and the remaining 25% from the rest of the world.
- What is the impact of Indo-China tensions? A number of you asked that question. Well we are keeping a close watch on this issue to be honest. And we are going to be abiding by our government direction. Our China operations and our customers are a very small part of our overall business. And you know we will see how the situation evolves and we will react accordingly.

- The next question you asked about Tech M services which is negative net worth. Are we going to close it down or dispose of it? Now our endeavor is always being to continue and grow business in all the territories in which we operate. And we are always trying to build business synergies between our subsidiaries and the parent company. So, we will continue to do the same for the Brazilian subsidiary, Tech M Servicos, and we will try and evaluate all the options we can.
- You next asked what is the present status on the SLP filed by the enforcement director before the honorable Supreme Court against the release of fixed deposits. Well the SLP filed by the ED is pending right now for admission before the Supreme Court and the company will continue to monitor the developments. And we will take all the required steps that are necessary.
- The next question, company's dependence on communication industry is still high at 41.6% during FY20. What is your game plan during the next 5 years in this respect? And again, you asked for net margin which you know we don't give. But the dependence on the communication industry has come down over the years from 47.8% in FY17, to 41.6 in FY20. Now while the communication vertical continues to offer exciting opportunities in 5G and network areas, we are going to continue to focus on other verticals. And our endeavor is going to be to grow them faster. Because we actually believe the enterprise business is going to continue to grow. And we plan to scale up verticals such as manufacturing, BFSI and healthcare over the next 5 years. Tamal I think that covers all your questions. As you know we try our best to come up with a long list of items, but I am glad I was able to cover most of them. It was a pleasure to see you again, and I must tell you it is very interesting for me this virtual session allows me to get a glimpse into your homes and your locations. And I was not surprised at all that in your home right behind you were a shelf of books, completely stacked. I know you are a voracious reader and an intellectual. And I am glad I got a chance to peep inside your home, of course I look forward to seeing you in person next year.
- The next person was Mr. Anil Parekh and Anil Bhai you asked us to provide the revenue breakup of the rest of the world and who are the clients and top 10 for the rest of the world. The rest of the world includes India which is more than 7%. And the rest of the revenue is from Australia, Singapore and Middle East. We don't really give customers specific data, however. Now in the year FY19-20, merger of TMGFL and Dynacommerce, you wanted to know whether the merger is positive or negative. Now the merger of TMGFL and Dynacommerce India is net positive as it is going to reduce the number of entities and related compliances and administrative costs. The consolidation of entities is a regular process given the large number of entities that the company has.
- The next question, when will the second buyback happen. Well as per the regulations, buyback can happen only after 1 year of the earlier buyback. The board will take a call on the next buyback. And we will keep your comment in mind.
- Then you asked are all the 1.25 lakh plus professionals safe? What is the precautions taken to keep them safe? How many are working from home? So, let me tell you as of date, 93% are working from home. All our employees are safe, and they are taking all required precautions in our offices, such as regular fumigation and disinfection of offices, mandatory thermal screening and enforcing strict social distancing norms amongst others. So be rest assured, this is a prime concern for us. We are taking great care of this.
- And your final question was the 18% stake Infotek and Vitaran and 59% in Cerium and 100% in Zen3 and you asked my view on these acquisitions. Now, we evaluate all potential opportunities. However, our inclination has been towards smaller sized tuck in acquisitions which help to fill in wide spaces in the few service offerings and focus verticals. M&A is going to continue to be a strategic pillar for our company.

And as I mentioned earlier and answered to another question, we will keep looking for opportunities. But on the other hand, we are going to be very, very careful about capital allocation. That is for sure. Thank you.

- I will move on to the questions of Sailesh Bhai. Sailesh Bhai good to see you and I noticed that the lockdown has had one benefit. You have obviously not gone to any barber or hairstyling salon. Your hair has grown long but I must tell you the style suits you. You look like a wonderfully intellectual professor and I hope maybe you will maintain that hairstyle even when the lockdown ends. It is good to see you. Your question the first one was the 5G technology invested in advanced countries is already in use whereas in India it is yet to take shape. You wanted to know about the present status of our investment in 5G. How is it going to help the company in terms of revenue etc.? So more than 40% exposure to the communication vertical, we are getting big on 5G. Currently it is in wait and watch mode due to the uncertainty created by the pandemic. But I must tell you most customers are eager to accelerate deployment once the dust settles down. In the short term most telcos are conserving cash. However long term our customers have indicated they want to continue investing in 5G and they want to upgrade the technology. So, we see a lot of potential. How will we benefit from the communication sector? Well you know we benefited all our lives. We started out as a company focused on telecommunication and I see our benefits continuing. We have seen some pre-5G orders this year, such as modernization spends resulting in growth and communications. We have invested in this over the last several years and we will continue to invest so as to remain at the top of the list of the telecom software specialists in the country.
- You wanted to know how many patents IP or trademarks we have brought in. We have applied for 111 patents. 52 of them are granted, 59 not granted. We have also applied for 174 trademarks of which 69 are granted and 105 not granted. EBITDA margins comes down to 16.6 from 18.2 and you wanted to know the expected result. Now, as you know we don't make forward looking statements and our EBITDA margin has dipped in FY20 because of transition costs. So large deals that we had won, these unwind after a while, these costs. But some macroeconomic issues were faced by our portfolio companies in the pandemic impact, but we are working on various measures including optimizing our cost to maintain and even improve margins in the near term.
- You made a suggestion about in the glossary giving explanation of terminology. As you know we always take your suggestions very seriously and I will pass them on for the secretarial department to consider. Apparently, you missed the quarterly results. We will just give you quick highlights. Revenue for Q1 FY21 was 19106 crores. The PAT of 972 crores which is actually an increase of 21% over the previous quarter. We have had our highest ever free cash flow of any quarter at Rs. 2300 crores. And I frankly think that in a COVID impacted quarter this is a very good result. Thank you again for your questions Sailesh Bhai. It was good to see you.
- I move on to Mr. Nachiappan. Mr. Nachiappan you pointed us to page 191 the standalone financial statements, the provision of doubtful debts and all that and why such huge amounts etc. Was it approved by the audit committee? Well you know your company is in a constant endeavor to collect money from customers and reduce the provision of doubtful debts and we will continue to do that. But as a prudent practice, we considered an additional provision to take care of expected future impacts for the pandemic. And considering that we have taken an additional provision in the books of approximately 115 crores. That is really the reason for the increase in doubtful debt provisions.
- Post quarterly results can you share financial statements to all shareholders through mail. That is an interesting suggestion. We have noted that. We do have all the results. And related material on our website.

But thank you again. I have noted that you have said that you are joining in from a remote place in Tamil Nadu. I wonder which one that was. But we really are grateful that there is connectivity across this country and into the remote places that have allowed us to reach people like you.

- The next question Ashalata ji, I was really happy to meet you. We could not meet each other face to face as always. But I am hopeful that next year we will meet again. I saw in the picture that even Mr. Maheshwari was sitting next to you on the sofa. Please give him my regards as well. You asked me what is my diet and how am I looking so fit. I am so happy after hearing this. This is an unexpected benefit of the lockdown because sitting at home we get more of a chance to exercise. So, it is good that you said that I am getting some results. Anuradha ji is not here otherwise you can tell her as well that I am looking fit and that I am doing exercise. She will also be very happy.
- You said what will be the impact in the revenue from the US region. Has US impacted? There has been a significant drop in the GDP in the US. Few sectors have got affected and we have seen some decline in revenue in the US region. But we see customers spending much more in digital transformation in the future as we see more movement from offline to offline. Technologies like cloud I think are going to see increased adoption in fact. Those were the bulk of your questions. Otherwise without your poetry our meetings would have been incomplete. So, thank you very much for your poetry. And I am very happy that I saw that you all are safe, and I am hopeful that your family is also fine and safe from this virus. Thank you Ashalata ji.
- I will move on now to Mr. Kirti Shah. Kirti Bhai we couldn't hear you properly. The video was also not working. But I'll try and answer what I think we heard of your question. The first one was why the standalone March '20 quarter net profit was high compared, versus December '19. Because the standalone profit in the March quarter was high compared to the December quarter mainly due to other income in the March '20 quarter on account of dividend income received from our US subsidiary. Then you also asked why the margin was 18.4 and came down. And I think the same answer that I just gave you covers that as well. The margins were affected by that. You were asking about our low PEs. Now as you are aware we have a 40% exposure to our communication vertical which is cyclical industry. And we've seen historically that the PE ration gap converging with peers during a telecom upside. So the recent reduction is the function of how the market has reacted in the wake of this COVID. But we're confident that as the external situation normalizes, we're going to see the stabilization of earning which will effectively drive the PE ration. You asked about our promoter holding and why it's so low. Well thank you for that advice and I think the Mahindra and Mahindra board will take that decision at the appropriate time. We've taken your comments into account. And you wanted to know why the price to book is so low. Well I think there's been a recent correction in stock price and that has probably led to this ratio being lower. So thank you again it was good to see you.
- I move on to Mr. Shreemal. Shreemal saab you had asked that the result suggestion, why not in millions. Thanks for the suggestion. We'll look into that in the future. You also suggested in the Annual Report to give consolidated accounts. But the Annual consolidated statements are published in this year's report. In fact, the KPIs or the KPT performance indicators are at Page 12 and 13 of the Annual Report. You wanted to know about the total capacity utilization after COVID. Well we're operating at around 95%. We work from home. So, we're operating almost at full capacity currently. You asked about the dividend being low. Well you know our dividend payout ratio excluding buyback has been improving in fact, despite the outflow towards acquisition. The dividend payout ratio to PAT is 41% and we've increased our dividend payout this year. And generally, it's increased over the last 4 to 5 years. We also paid a special dividend some time back and we did a buyback last year. So, we're constantly looking for different ways in which to return cash to shareholders in the form of dividend and buyback. You asked whether the dividend will be credited

tomorrow. It will be paid on or before 7th August 2020. And you asked about our view on Capex. Now we're aiming to operate at 25 to 30% work from home level in the near term and give up some facilities on lease. So, this will have some savings in capital expenditure. And the major Capex will be mainly in laptops or desktops to support work from home. You asked a question about impairment. It was not clear. But I think it was about impairment and this is an annual activity of impairment testing. We compare carrying value of investment and value in use for the same. And as part of that we provided 555 crores as impairment in standalone and 217 in consolidated. And this is also partly due to the pandemic impact. We've taken a very prudent view on carrying value. How are our acquisitions helping us, that was your final question, Well we're looking to expand our reach and capabilities through acquisition. We'll continue to invest in technologies which are meaningful, and which help our future strategy. That's the way we look to get growth in the new markets. Thank you.

- And I move on to Humayun I think was next. You asked how many countries are we present in. Again your voice was a little unclear. So, I just want to make sure that we understood your questions. But if not do forgive us and write into us. And you asked us about China and going to 5G Tech. The Government has rejected China. Now we operate in more than 90 countries. We're in the forefront in working with the Indian Government on many initiatives. And we've signed a MOU with ITI to make home grown equipment with Telco's in India. So, I think we've benefit in the long run from this move to 5G. Again as I said I couldn't hear too many more of your questions but I hope I've answered the key one.
- Behrooz, and I may have mistaken which question Humayun asked which ones Behrooz asked. You were together, I think. You asked how many patents do we have. We have 111 patents. 52 are branded, 59 non branded. We have offices in China. Yes, we have offices in China. Our China operations and customers however are a very small part of our overall business. Do we have more employees in the UK than in the US? No, we've more in the US. How many countries are we located in? We operate in over 90 countries. When will 5G be available to the people of India? We've seen 4G being available to Indian citizens and given the historical trend I think we should see 5G adoption very quickly in India. What's the amount of spend on CSR and are we doing any work for floods in Assam? Now in FY '20 our company spent about 123 crores in many initiatives. And that includes our contribution to the PM Cares Fund of 20 crore. Our Tech Mahindra foundation works with various Governments on such cases and we will continue to be of help to the country wherever needed.
- Hutokshi did not join. Mr. Saraf, again thank you for joining us. It was a pleasure to meet you. You asked how many employees are working from home. And we've got over 95% of employees working from home now. This is across on site and offshore locations. You asked about the impact in China. As I mentioned earlier, I've answered this question already. We're keeping a close watch. And the China operations are a very small part of our overall business. You asked about the disputed case mentioned in Page 155. Now we're contesting these disputes with certain parties. The disclosure is based on facts of the circumstances and under expert advice. Now we believe that every stance we've taken by the company is defensible and on lawful grounds. You asked about the virtual AGM benefit and how much is the savings. Now expenses for AGM through VC is around 15 lakhs. Expenses for physical AGM last year and physical printing of the Annual Report is around 89 lakhs. So, the total savings is about 74 lakhs. I hope that answers your question.
- Mr. Chandiramani didn't join. So Lekha ji was the last. But you know Lekha ji it was very unclear. We could not hear you properly. The questions were not very clear. So do forgive us. We are not really able to register your questions. But please feel free to send these to us and we will answer these offline.

- Now we will move back to the procedure. And I want to tell you all that the E-voting facility will be available for the next 15 minutes to enable those shareholders who have not cast their votes to do remote E-Voting. The results will be announced on or before July 30, 2020 and the same will be intimated to Stock Exchanges and uploaded on the web site of the company and the NSDL. Mr. Bhave shall after conclusion of voting count the votes cast at the meeting through E-Voting and the votes cast through remote E-Voting in the presence of at least two witnesses not in the employment of the company. Then Mr. Bhave will make a Consolidated Scrutinizer's Report of the total votes cast in favor or against. I am authorizing Mr. Anil Khatri, the Company Secretary to countersign the Scrutinizer's Report. Upon receipt of that declare the results. The combined results of the remote E-Voting and the E-Voting taken place at the AGM will be declared to Stock Exchanges latest by Thursday July 30, 2020 at 6 pm. The results will also be placed on the web sites of the Company and the NSDL. The results should also be immediately forwarded to the BSE Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai. And now I would like to thank all the Directors and Shareholders for attending this AGM through VC OAVM and I would request everyone to take good care of yourselves and your families. Please stay safe and healthy. I now declare that the 33rd Annual General Meeting of the Company is concluded.
- (The NXT of everything).
- 33rd Mahindra Annual General Meeting E-Voting in Progress.
- **Mr. Anil Khatri- Company Secretary**
- Dear shareholders, the E-Voting is concluded. And may we conclude the meeting now. Thank you very much for your support. Thank you.

(END OF TRANSCRIPT)