ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2016-17

1. A brief outline of the Company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Tech Mahindra Limited (TML) is a leading provider of solutions and services in the Information, Communications & Technology industry. The CSR vision of TML is Empowerment through Education. All social investments of the Company are accordingly aligned to the attainment of this overall vision.

The TML has established Tech Mahindra Foundation (TMF) in 2007 and Mahindra Education Institutions (MEI) in 2013; under Section 25 of Companies act 1956 (referred to as a section 8 Company in Companies Act 2013) with dedicated professionals to carry out its CSR activities. The TMF has been focusing on implementation projects related to of education and employability while MEI implements higher education projects. A brief profile of the projects undertaken by TMF and MEI are given below.

<table>
<thead>
<tr>
<th>Projects</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Tech Mahindra Foundation:</strong></td>
<td>Promoted quality Education and Employability for vulnerable sections of society through vibrant and innovative partnerships with the Government, NGO’s, CBO’s and other organisations across ten major cities of India.</td>
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<td><strong>School Education:</strong></td>
<td>Projects are aimed to improve the quality of school education, teacher training through infrastructure improvement, capacity building of all stakeholders and supplementary education.</td>
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<tr>
<td>ARISE</td>
<td>All Round Improvement in Special Education</td>
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<tr>
<td>ARISE+</td>
<td>ARISE for children with disabilities</td>
</tr>
<tr>
<td>Shikshaantaran</td>
<td>Training/Capacity building of Primary School Teachers</td>
</tr>
<tr>
<td>Shiksha Samvardhan</td>
<td>Remedial and Supplementary Education</td>
</tr>
<tr>
<td><strong>Employability:</strong></td>
<td>Projects supported the Government of India’s larger vision of skill development of youth through developing their market-oriented skills and linking them to potential employers. These projects seeks to benefit school drop-outs, people with disabilities and those unable to go into higher education, with specific focus on women and people with disabilities</td>
</tr>
<tr>
<td>The Projects strive to address to gap between the skilling sector and the industry requirement by bringing in renowned industry from the service, technical and manufacturing sector as knowledge partners. An employability rate of 70% is achieved annually.</td>
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<tr>
<td>SMART</td>
<td>Skills-for-Market Training Centres</td>
</tr>
<tr>
<td>SMART+</td>
<td>SMART Centres for youth with disability</td>
</tr>
<tr>
<td>SMART-T</td>
<td>SMART Centres with Technical trades</td>
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<tr>
<td>SMART Academy</td>
<td>Sector specific ‘state of art’ training institutes</td>
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<tr>
<td><strong>Mahindra Educational Institutions:</strong></td>
<td>Established institutions of higher education, promoted research and development and collaborated with other renowned institutions to contribute towards the goal of high quality technical education systems in India.</td>
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<td><strong>Technical Education:</strong></td>
<td>The Mahindra École Centrale (MEC) project provided high quality technical education in engineering and computer technology for the students.</td>
</tr>
<tr>
<td>MEC</td>
<td>MEC is an international quality, technology school with assured career progression for engineering aspirants. It focuses on multi-disciplinary knowledge, personality development, and critical-creative thinking. MEC College of Engineering, heralds the Rise of the New Engineer in India.</td>
</tr>
</tbody>
</table>

2. **Composition of the CSR Committee.**
   
The Corporate Social Responsibility (CSR) Committee of the Company is composed of the following:

   Mr. Vineet Nayyar, Chairman
   Mrs. M. Rajyalakshmi Rao, Member
   Mr. Ulhas N. Yargop, Member

3. **Average net profit of the Company for the last three financial years.**

   - FY 2013-14: ₹ 3,004.7 Crores
   - FY 2014-15: ₹ 2,485.7 Crores
   - FY 2015-16: ₹ 3,633.0 Crores

   The average net profit before tax: ₹ 3041.1 Crores*  
   * Excluding foreign branch profits

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).**

   ₹ 60.82 Crores (that is, 2% of ₹ 3,041.1 Crores)  
   (Two per cent of the average profit before tax of the immediately preceding three years)

5. **Details of CSR spent during the financial year**

   (a) Total amount to be spent for the financial year 2016-17: ₹ 60.82 Crores  
   (b) Amount unspent, if any: Nil  
   (c) Manner in which the amount was spent during the financial year is detailed below:

   **Table:**

   | (1) Sr. No | (2) CSR Project or activity Identified | (3) Sector in which the project is covered | (4) Projects or programs:  
   |            |                                  | (1) Local area or other  
   |            |                                  | (2) Specify the State and district where projects or programs was undertaken | (5) Amount outlay (budget) project or programs-wise  
   |            |                                  | (1) Direct expenditure on projects or programs | (6) Sub-heads:  
   |            |                                  | (2) Overheads | (7) Cumulative expenditure up to the reporting period | (8) Amount spent Direct or through implementing agency |

   **Row 1: Employability**

   - Schedule VII, Item 2 (promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects)
   - SMART
     - Budget: ₹ 8.08  
     - Spent: ₹ 7.86 (0.22)
   - SMART+
     - Budget: ₹ 2.25  
     - Spent: ₹ 2.17 (0.08)
   - SMART T
     - Budget: ₹ 3.27  
     - Spent: ₹ 3.19 (0.08)
   - SMART Academy
     - Budget: ₹ 7.00  
     - Spent: ₹ 5.49 (1.51)

   **Row 2: Delhi, Chandigarh, Telangana, Andhra Pradesh, Karnataka, Tamil Nadu, West Bengal, Odisha, Maharashtra**

   - Programme Administration (like Communication, Volunteering, Training, Consultancy etc)
     - Budget: ₹ 1.50  
     - Spent: ₹ 2.45
   - Programme (grand total)
     - Budget: ₹ 22.10  
     - Spent: ₹ 21.16

   100% amount spent through implementing agencies, except for two projects:
   (a) SMART Academy, Delhi  
   (b) In-Service Teacher Education Institute, Delhi
<table>
<thead>
<tr>
<th>Sr. No</th>
<th>CSR Project or activity identified</th>
<th>Sector in which the project is covered</th>
<th>Projects or programs: (1) Local area or other (2) Specify the State and district where projects or programs was undertaken</th>
<th>Amount outlay (budget) project or program-wise</th>
<th>Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads</th>
<th>Cumulative expenditure up to the reporting period</th>
<th>Amount spent Direct or through implementing agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>School Education</td>
<td>Same as (1)</td>
<td>- ARISE</td>
<td>3.31</td>
<td>3.22 (0.09)</td>
<td>11.79 (total)</td>
<td>115.2 (0.27)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- ARISE+</td>
<td>2.95</td>
<td>2.85 (0.10)</td>
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<td></td>
<td></td>
<td></td>
<td>- Shikshaanantar</td>
<td>3.37</td>
<td>3.32 (0.05)</td>
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<td></td>
<td></td>
<td></td>
<td>- Shiksha Samwardhan</td>
<td>2.16</td>
<td>2.13 (0.03)</td>
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<td></td>
<td></td>
<td></td>
<td>(2) Delhi, Telangana, Andhra Pradesh, Karnataka, Tamil Nadu, West Bengal, Odisha, Maharashtra</td>
<td>[Programme Administration (like Communication, Volunteering, Training, Consultancy etc.)]</td>
<td>1.00 1.46</td>
<td>Project/ programme expenses only. No overheads.</td>
<td>12.98</td>
</tr>
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<td></td>
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<td></td>
<td>12.79 (grand total)</td>
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<tr>
<td>3</td>
<td>Technical Education</td>
<td>Same as (1)</td>
<td>- Mahindra Ecole Centrale (MEC)</td>
<td>28.00</td>
<td>28.00 (0.00)</td>
<td>28.00 (0.00)</td>
<td>100% amount spent directly on programmes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(Project/ programme expenses only. No overheads.)</td>
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<td>4</td>
<td>Education</td>
<td>Same as (1)</td>
<td>- K. C. Mahindra Education Trust</td>
<td>Nil</td>
<td>0.19 (NA)</td>
<td>0.19 (NA)</td>
<td>100% amount spent through K.C. Mahindra Education Trust</td>
</tr>
</tbody>
</table>

Note:
(i) The prescribed CSR expenditure for Tech Mahindra for the financial year 2016-17 was ₹ 60.82 Crores (that is, 2% of ₹ 3,041.1 Crores).
(ii) Tech Mahindra spent ₹ 62.33 Crores during the financial year, through three agencies - Tech Mahindra Foundation (TMF) and Mahindra Educational Institutions (MEI) and K. C. Mahindra Education Trust - A/C Nanhi Kali.
(iii) Against the mandated spend of ₹ 60.82 crores Tech Mahindra contributed ₹ 67.28 crores to its CSR arms which spent ₹ 62.33 Crores and the balance amount of ₹ 4.95 Crores was transferred into Corpus of TMF.

6. In case, the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board report.
   Not Applicable.
7. **A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

For Tech Mahindra Limited, Corporate Social Responsibility means responsible business practices through the involvement of all stakeholders in the decision making process and in operations. It entails having business policies that are ethical, equitable, environmentally conscious, gender sensitive, and sensitive towards the differently abled.

We have adequate systems and tools in place that go beyond regulatory requirement. In collaboration with our community, we analyze the potential impacts of our operations before setting up any new project and during any expansion of existing projects, so as to address the concerns of the community. At the end of a project, the implementing partner submits a report pertaining to the impact of the program, specifically highlighting the project milestones achieved and the quantitative and qualitative benefits generated. The project is also evaluated on milestones achieved by the CSR Committee formulated by TML. Independent Third Party Assessments are also conducted for major CSR initiatives of TML at regular intervals.

The CSR committee certifies that the implementation and monitoring of projects and programmes as per CSR Policy are in compliance with CSR objectives and policy of the Company.

Sd/-

C. P. Gurnani  
Managing Director & CEO

Sd/-

Vineet Nayyar  
Chairman - CSR Committee

For and on behalf of the Board

Place: Mumbai  
Date: May 26, 2017

For and on behalf of the Board

Anand G. Mahindra  
Chairman