

May 27, 2016

To
The Manager
Listing Department
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI – 400 001
FAX NO.: 022 2272 2037/39/41/61

Scrip Code : 532755

To
The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th floor,
Plot No. – C/1, G Block,
Bandra-Kurla Complex, Bandra (E)
MUMBAI – 400 051
FAX NO.: 022 26598237/38, 2659 8347/48
NSE Symbol : TECHM

Dear Sir(s),

Sub: Outcome of the Meeting of the Committee of Directors of the Board held on May 27, 2016.

Pursuant to Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we wish to inform that the Committee constituted by the Board of Directors of the Company for specific purpose, in its meeting held today approved the proposal to acquire Target TOPCO Ltd, a UK entity.

In this regard, please find enclosed:

1. Disclosure containing the details pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 as Annexure 1.
2. Press Release on the acquisition as Annexure 2.

This is for your information and record.

Thanking you,

For Tech Mahindra Limited


G. Jayaraman
Company Secretary

Annexure I

Sr. No.	Items for Disclosure	Description
1	Name of the target entity, details in brief such as size, turnover, etc.	Target Group Limited ("Target") is a Financial Technology ("Fintech") and BPaaS provider in the Banking, Asset Management, Government and Insurance sectors. It has revenues of GBP 51 million for Calendar Year (CY) 2015.
2	Whether the transaction would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms-length"	The acquisition of shares of Target is not a related party transaction. The promoter/ promoter group have no interest in the entity being acquired.
3	Industry to which the entity being acquired belongs	Target is a Fintech software and outsourcing services provider.
4	Objects and effects of acquisition	The acquisition will broaden the service offerings of Tech Mahindra in the Banking Financial Services Insurance domain. It will allow Tech Mahindra to provide platform based services leveraging Target's proprietary platform. The acquisition will also enable Tech Mahindra to strengthen its presence in Europe.
5	Brief details of any governmental or regulatory approvals required for the acquisition	The transaction is subject to applicable antitrust approvals, regulatory approvals and Financial Conduct Authority (FCA) Approval as required.

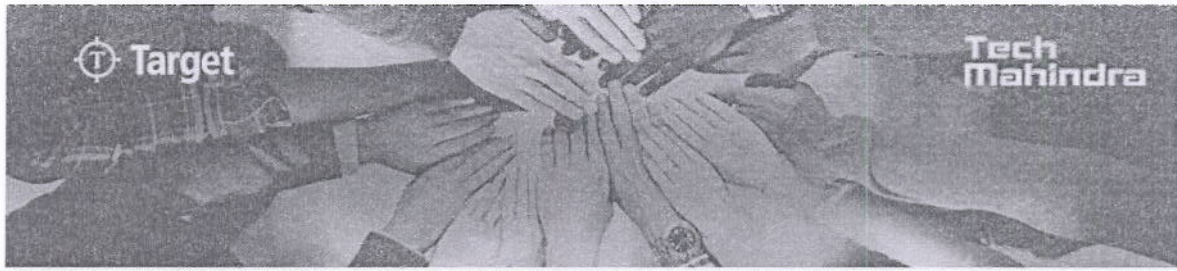


Sr. No.	Items for Disclosure	Description
6	Indicative time period for completion of the acquisition;	The closing of the transaction is expected to take place by 31 st Oct 2016 subject to approval by Financial Conduct Authority (FCA).
7	Nature of consideration - whether cash consideration or share swap and details of the same	<ul style="list-style-type: none"> The consideration would be cash.
8	Cost of acquisition or the price at which the shares are acquired;	<ul style="list-style-type: none"> Tech Mahindra will purchase 100% stake in Target. The valuation is at an Enterprise Value of GBP 112 mn + an adjustment for surplus cash of upto GBP 8 mn. Tech Mahindra will pay an amount of up to GBP 64mn upfront and a 2017 deferred consideration of up to GBP 16.28mn. Tech Mahindra will also pay back an amount of GBP 17.1mn on account of loan notes at closing. In addition, the management is rolling over 7.6% of their equity value into the company (currently worth GBP 6.8 mn), which will be paid out in 2020 as a Second deferred consideration, equal to 7.6% of the equity value of the company in 2020, depending on the performance of the company during the period 2017-2019. As part of the composite deal, Tech Mahindra shall provide a corporate guarantee not exceeding GBP 30 Million in relation to the payout in 2020.



Sr. No.	Items for Disclosure	Description
9	Percentage of shareholding / control acquired and / or number of shares acquired;	100%
10	Brief background about the entity acquired in terms of products / line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	<ul style="list-style-type: none">• Target is a UK-based Fintech company which provides technology platform (own IP) driven servicing for loans, investments, payments and insurance across the financial sector• Target has revenues of GBP 51 million for CY 2015. Revenue over the last 2 years has been:<ul style="list-style-type: none">○ CY 2013: GBP 34.7 million○ CY 2014: GBP 45.7 million





Tech Mahindra to acquire Target Group - to augment Platform BPaaS offerings in BFSI

Strategic move strengthens capabilities to capitalize from the burgeoning FinTech market, with Automation and Straight through Processing.

Move consolidates Tech Mahindra's competitive advantage to better service the UK Banking, Financial Services and Insurance (BFSI) outsourcing market. Synergies include expansion of the Platform to other global markets, and significant cross-selling opportunities.

Target Group's three-year revenue CAGR of 22%, their IP and long term client contracts and relationships represent significant revenue synergy opportunities.

Mumbai, 27 May 2016: Tech Mahindra Ltd., a specialist in digital transformation, consulting and business re-engineering, has agreed to enter into an agreement to acquire Target Group, one of the leading processing platform companies in the UK. The transaction is expected to close in Q2 FY17, subject to the receipt of regulatory approvals.

The acquisition strengthens Tech Mahindra's BFSI practice by access to IP and a platform which helps automate end-to-end processes in the lending, investments and insurance market. The acquisition will enhance Tech Mahindra's capabilities and allow Tech Mahindra to capture a larger share of the GBP 45-60 billion annual spend by UK BFSI companies on software and services. Tech Mahindra intends to leverage its global footprint and enhance the platform to service other markets.

The acquisition is in line with Tech Mahindra's strategy of expanding its Fintech capabilities and adding IP and platforms to drive non linearity and play aggressively in the BFSI sector. Target Group's proprietary platform automates complex and critical processing, servicing and administration of loans, investments and insurance. The platform helps deliver high quality services with built in compliance in a highly complex and regulated environment. Its capabilities are easily transferrable to new markets.

Headquartered in the UK, Target Group has 740 employees and a strong client franchise, including leading financial institutions such as Goldman Sachs, Morgan Stanley and Credit Suisse, specialist lenders such as Shawbrook and mutual organisations, such as Yorkshire Building Society. Target Group had revenues of GBP 51 Million in 2015. Target Group's



strong client relationships help it generate significant recurring revenues. Target Group also has a strong pipeline which provides for high earnings visibility and cash flow generation.

As part of the agreement, Tech Mahindra has agreed to purchase 100% of the shares of Target Group. Target Group will remain a standalone entity retaining its existing brand, which has a strong reputation in the marketplace. The entire management team at Target will stay with the business and continue to have full operational responsibility.

Proprietary platform: differentiated offerings

Target Group provides BPaaS offerings in the areas of lending and investment products servicing to its clients, on variable pricing models. Its platform operates at considerable volume with high levels of automation, with 95% 'straight through processing'.

The combination of proprietary software, strong regulatory compliance practice and domain knowledge is a key differentiator for Target Group.

Significant Synergies

Target Group's capabilities are highly complementary to Tech Mahindra's strong BFSI IT services capabilities and significantly enhance its Fintech offerings. The acquisition catapults Tech Mahindra to one of the top 3 processors in UK Financial Services for certain complex lending and investment product categories. It also strengthens Tech Mahindra's European presence and adds several new clients.

The acquisition will help Tech Mahindra to expand its offerings in the lending, savings and investment and insurance sectors. There is also a significant opportunity to cross-sell Tech Mahindra/ Target offerings in each other's client base and extend the platform to other markets.

CP Gurnani, MD & CEO, Tech Mahindra, says *"Target Group's strong IP and disruptive proprietary platform significantly enhances our Fintech offerings. This acquisition will make us a formidable player in the UK BFSI market with over 50 major financial institutions as clients. The acquisition lies at the confluence of several of our strategic priorities – add IP, double BFSI revenue and expand European footprint. We look forward to welcoming Target Group's employees into the Tech Mahindra family".*

Paddy Byrne, Chairman, Target Group, says *"Target Group has been focused on building expertise in the lending, investments and insurance sectors, becoming a market leading player in each of our verticals. We have delivered significant growth over the last four years, with the support of our current shareholder, Pollen Street Capital. We now look forward to the next stage in our growth. By joining with the USD 4 billion Tech Mahindra, it will allow us to serve our clients better through greatly expanding the solutions and services we provide. We have built a strong and extremely credible management team which has enabled us to create a strong brand in our chosen markets, and we relish the opportunity to take the combined Target Group/Tech Mahindra proposition to broader sectors and geographies within the Banking, Financial Services and Insurance markets."*



About Tech Mahindra

Tech Mahindra represents the connected world, offering innovative and customer-centric information technology services and solutions, enabling Enterprises, Associates and the Society to Rise™. We are a USD 4.0 billion company with 105,400+ professionals across 90 countries, helping over 800 global customers including Fortune 500 companies. Our innovation platforms and reusable assets connect across a number of technologies to deliver tangible business value to our stakeholders. Tech Mahindra is also amongst the Fab 50 companies in Asia as per the Forbes 2014 List.

We are part of the USD 16.9 billion Mahindra Group that employs more than 200,000 people in over 100 countries. The Group operates in the key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, after-market, information technology and vacation ownership.

Connect with us on www.techmahindra.com

About Target Group

Target Group is a leading provider of Business Process Outsourcing (BPO) and software solutions for over 50 major financial institutions across the globe, including clients such as Goldman Sachs, Morgan Stanley, Credit Suisse, Barclays and Shawbrook Bank.

Our leading fintech platform manages assets in excess of £24 billion, enabling our clients to automate complex critical processing, servicing and administration of loans, as well as investments and insurance. We deliver competitive advantage and enable scalable growth. Alongside BPO and software solutions, Target leverages deep domain expertise to advise on process improvement, due diligence, and regulatory compliance.

Target systems currently process over 18 million accounts and collect £3billion of direct debit payments each year on behalf of both private and public sector clients.

For further information about Target Group, please visit www.targetgroup.com

Editor's Notes:

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Disclaimer

Certain statements in this release concerning the future prospects of Tech Mahindra Limited ("the Company" or "TechM") are forward-looking statements. These statements by their nature involve risks and uncertainties that could cause Company's actual results differ materially from such forward looking statements. The Company, from time to time, makes written and oral forward-looking statements based on information available with the management of the Company and the Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

