Annual Report

2019-20

Capgemini Technology Services India Limited

Board of Directors

MR. SRINIVASA RAO KANDULA
Wholetime Director and Chairman

MR. ASHWIN YARDI
Wholetime Director and Chief Executive Officer

MS. ARUNA JAYANTHI
Wholetime Director

MR. PAUL HERMELIN
Non-Executive Director

MR. HUBERT GIRAUD
Non-Executive Director

MR. RAMASWAMY RAJARAMAN
Non-Executive Director and Independent Director

MS. KALPANA RAO
Non-Executive Director and Independent Director

MR. SUJIT SIRCAR
Chief Financial Officer

MS. ARMIN BILLIMORIA
Company Secretary

Board Committees

Audit Committee
Ramaswamy Rajaraman: Chairperson
Kalpana Rao
Srinivasa Rao Kandula

Stakeholders' Relationship Committee
Ramaswamy Rajaraman: Chairperson
Kalpana Rao
Srinivasa Rao Kandula

Nomination and Remuneration Committee
Kalpana Rao: Chairperson
Ramaswamy Rajaraman
Hubert Giraud

Corporate Social Responsibility Committee
Kalpana Rao: Chairperson
Ramaswamy Rajaraman
Srinivasa Rao Kandula
Ashwin Yardi
Aruna Jayanthi
Hubert Giraud

Auditors
M/s. B S R & Co. LLP
Chartered Accountants
Firm Registration no: 101248W/W-100022
5th Floor, Lodha Excelus
Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi,
Mumbai - 400 011
Maharashtra India

Registrar & Share Transfer Agent
Kfin Technologies Private Limited
(Formerly known as Karvy Fintech Private Limited)
Karvy Selenium Tower B,
Plot No.31-32, Gachibowli, Financial District,
Nanakramguda,
Hyderabad – 500 032

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NOTICE FOR THE 27th ANNUAL GENERAL MEETING

Notice is hereby given that Twenty Seventh Annual General Meeting (AGM) of the Members of Capgemini Technology Services India Limited (“Company”) will be held on Friday, 25 September 2020 at 10:00 A.M. through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

To consider, and if thought fit, to pass, all the following resolutions as an Ordinary Resolution:

1. A. To consider and adopt: the Audited Standalone Financial Statement of the Company for the Financial Year ended 31 March 2020, together with the Reports of the Board of Directors and the Auditor thereon; and

   B. the Audited Consolidated Financial Statement of the Company for the Financial Year ended 31 March 2020 together with the Report of the Auditor therein.

2. To appoint a Director in place of Mr. Srinivasa Rao Kandula (DIN: 07412426) who retires as per article 14 (8) (a) of the Articles of Association of the Company at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Mr. Ashwin Yardi (DIN: 07799277) who retires as per article 14 (8) (a) of the Articles of Association of the Company at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Ms. Aruna Jayanthi (DIN: 00817860) who retires as per article 14 (8) (a) of the Articles of Association of the Company at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

5. To appoint a Director in place of Mr. Hubert Giraud (DIN: 00817709) who retires as per article 14 (8) (a) of the Articles of Association of the Company at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

6. To appoint a Director in place of Mr. Paul Hermelin (DIN: 07887276) who retires as per article 14 (8) (a) of the Articles of Association of the Company at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

7. Appointment of M/s Price Waterhouse Chartered Accountants LLP (Registration No. 012754N/N500016) as Statutory Auditor of the Company for a period of 5 (five) years.

   “RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014 (“Rules”), (including any statutory modification(s) or re-enactment(s) there of for the time being in force), Price Waterhouse Chartered Accountants LLP (Registration No. 012754N/N500016) who have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditor, in terms of provisions of Section 141 of the Act and Rule 4 of the Rules, be and are hereby appointed as Statutory Auditor of the Company to hold office for a period of five years i.e. from the conclusion of this 27th Annual General Meeting until the conclusion of 32nd Annual General Meeting of the Company, to be held in the year 2025, in place of the retiring Auditor Messrs. B S R & Co. LLP (ICAI Firm Registration Number 101248W/100022).”

   “RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Board of Directors in consultation with the Auditor plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the audit and the remuneration may be paid on a progressive billing basis to be agreed between the Auditor and the Board of Directors of the Company.”

By Order of the Board of Directors
For Capgemini Technology Services India Limited

Date: 17 August 2020
Place: Mumbai

Armin Billimoria
Company Secretary
FCS: 8637

Registered office:
No. 14, Rajiv Gandhi Infotech Park,
Hinjewadi Phase-III, MIDC-SEZ,
Village Man, Taluka Mulshi,
Pune-411 057

Notes:

1) Pursuant to COVID 19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated 05 May 2020 read together with circulars dated 08 April 2020 and 13 April 2020 (collectively referred to as "MCA Circulars") permitted convening of the AGM through VC or OAVM without physical presence of members at a common venue. In accordance with the provisions of Companies Act, 2013 and MCA Circulars, AGM is being held through VC or OAVM.

2) A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC or OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.

3) Institutional/Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board Resolution to the Scrutinizer through E-mail to indapurkarcs@gmail.com with a copy to the Company at cgcompanysecretary.in@capgemini.com.

4) Institutional investors, who are members of the Company are encouraged to attend and vote at the twenty seventh AGM of the Company through VC or OAVM.

5) Members attending the AGM through VC or OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

6) The business set out in the notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this notice under note no. 21. The Company will also send communication relating to e-voting which inter alia would contain details about user id and password along with a copy of this notice to the members, separately.

7) In terms of Section 152 of the Act, Mr. Srinivasa Rao Kandula (DIN: 07412426), Mr. Ashwin Yardi (DIN: 07799277), Ms. Aruna Jayanthi (DIN: 00817860), Mr. Hubert Giraud (DIN: 00817709) and Mr. Paul Hermelin (DIN: 07887276) are liable to retire at the ensuing AGM as specified under article 14 (8) (a) of the Articles of Association of the Company and being eligible, offer themselves for re-appointment. The Board of Directors of the Company recommends their re-appointment.

8) In case of joint holders only such joint holder who is higher in the order of names will be entitled to vote.

9) All documents referred to in the Notice will be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 25 September 2020. Members seeking to inspect such documents can send an email to cgcompanysecretary.in@capgemini.com.

10) Register of Directors / Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and Register of Contracts in which Directors are interested maintained under Section 189 of the Act will be available for inspection electronically without any fee by the Members during AGM.

11) Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 19 September 2020 to Friday, 25 September 2020 (both days inclusive).

12) Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advice any change in their address or bank mandates to the Company at cgcompanysecretary.in@capgemini.com or its Registrar and Share Transfer Agent, Kfin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) ("KfinTech") at einward.ris@kfintech.com.

13) In compliance with MCA Circulars, Notice of the AGM along with Annual Report 2019-20 is being sent only through electronic mode to those members whose email addresses are registered with Company's Registrar and Share Transfer Agent, KfinTech as on Friday, 14 August 2020. The notice of the AGM is also hosted on the website of the Company https://www.capgemini.com/in-en/what-we-do/group-overview/capgemini-technology-services-india-limited-formerly-known-as-igate-global-solutions-limited/ and will remain on the website till the date of the AGM.

14) For receiving all communication (including Annual Report) from the Company electronically:

    a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at cgcompanysecretary.in@capgemini.com or its Registrar and Share Transfer Agent, KfinTech at einward.ris@kfintech.com.

b) Members holding shares in electronic form are requested to register / update their email address with the Depository Participants with whom they are maintaining their demat accounts.

15) Pursuant to section 72 of the Act, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with KfinTech. In respect of shares held in electronic/demat form, the members may please contact their respective Depository Participant for registration of nominee.

16) In terms of section 124 of the Act, in case of shares in respect of which dividends have been unclaimed and therefore unpaid for a continuous period of 7 years, such unpaid dividend and corresponding shares have been transferred to the Investor Education and Protection Fund ("IEPF") demat account. To claim the same from IEPF, members owning such shares must contact the Company at cgcompanysecretary.in@capgemini.com or its Registrar and Share Transfer Agent, KfinTech at einward.ris@kfintech.com or IEPF authority.

17) The recorded transcript of the AGM on 25 September 2020, shall be maintained by the Company and also be made available on the website of the Company at the earliest soon after the conclusion of the Meeting.

18) Since the AGM will be held through VC or OAVM, Route Map is not annexed in this Notice.

19) The deemed venue for twenty seventh AGM shall be the Registered Office of the Company at No. 14, Rajiv Gandhi Infotech Park, Hinjewadi Phase-III, MIDC-SEZ, Village Man, Taluka Mulshi, Pune-411 057.

20) Since all business to be transacted at the AGM are ordinary business, no explanatory statement has been annexed to the Notice of the AGM

21) Information and other instructions relating to e-voting and joining AGM through VC or OAVM are as under:

(i) E-voting

The Company is pleased to provide an e-voting facility to the members of the Company to enable them to cast their votes electronically on the items mentioned in this Notice.

The Company has appointed Mr. Shailesh Indapurkar, as scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. E-voting rights of the members/ beneficiary owners shall be reckoned on the equity shares held by them as on Saturday, 19 September 2020 being the cut-off date for the purpose. Members of the Company holding shares either in physical or in dematerialized form as on the cut-off date may cast their votes electronically.

INSTRUCTIONS FOR E-VOTING

a) To use the following URL for e-voting: From KfinTech- website: http://evoting.karvy.com

b) Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically.

c) Enter the login credentials i.e., user id and password mentioned on the enclosed form/EMAIL. Your Folio No / DP ID / Client ID will be your user ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for casting your votes.

d) After entering the details appropriately, click on LOGIN.

e) You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile number, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Neither the Company nor the Scrutinizer will be responsible for any consequences of you having shared or disclosed the password (whether original or changed) with or to any person, including your inability to thereafter access the e-voting platform or even cast your vote.

f) You need to login again with the new credentials.

g) On successful login, the system will prompt you to select the EVENT i.e., Capgemini Technology Services India Limited.

h) On the voting page (which will be different for each resolution), enter the number of shares as on the cut-off date, Saturday, 19 September 2020 under FOR / AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR / AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.

i) Member sholding multiple folios / Demat accounts shall need to use the voting process separately for each folio / Demat account.

j) Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on all the resolutions.

k) Corporate/Institutional members (Corporate/FIs/FIIs/Trust/Mutual Funds/Banks etc.,) are required to send a scanned certified true copy (PDF format) of the relevant Board resolution to the Scrutinizer through E-mail to indapurkarcs@gmail.com with a copy to cgcompanysecretary.in@capgemini.com. The file(s) containing the scanned image of the Board resolution should be in the naming format "Corporate Name".

l) Once the vote on the resolution is cast by the member, he shall not be allowed to change it subsequently.

m) The Portal will be open for voting from Tuesday, 22 September 2020 at 9.00 a.m. and ends on Thursday, 24 September 2020 at 5.00 p.m. (both days inclusive). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on 19 September 2020, may cast their vote electronically. Those members who have acquired shares after 14 August 2020 i.e. cut-off date for sending of Annual Report and holding shares as on the e-voting cut-off date i.e. Saturday, 19 September 2020, may approach the Company/ KfinTech for issuance of the User ID and Password for exercising their right to vote by electronic means and attend the meeting through VC or OAVM.

n) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting User Manual for members available at the download section of http://evoting.karvy.com or contact KfinTech at Tel No. 1800 345 4001 (toll free).

(ii) Joining AGM through VC or OAVM

The Company will provide VC or OAVM facility to its members for participating at the AGM. Members will be able to attend the AGM through VC or OAVM or view the live webcast at https://emeetings.kfintech.com / by using their e-voting login credentials.

1) Members are requested to follow the procedure given below:

   a) Launch internet browser (chrome/firefox/safari) by typing the URL: https://emeetings.kfintech.com/. Members are encouraged to join the Meeting through laptop with google chrome web browser for better experience.

   b) Enter the login credentials (i.e., User ID and password for e-voting).

   c) After logging in, click on "Video Conference" option.

   d) The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company i.e. Capgemini Technology Services India Limited can be selected.

   e) Members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.

   f) Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

2) Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions.

3) Since many members will be present through VC or OAVM and to regulate the AGM in efficient manner, members who would like to express their views or ask questions during the AGM are requested to register themselves by logging on to https://emeetings.kfintech.com/and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open from Friday, 18 September 2020 to Wednesday, 23 September 2020. All those members who are registered will be given preference to express their views or ask questions over other members depending upon the availability of time for smooth and efficient conduct of the AGM.

4) Only those members/ shareholders, who will be present in the AGM through VC or OAVM and have not cast their vote through remote e-Voting are eligible to vote in the AGM. However, members who have voted through remote e-Voting will be eligible to attend the AGM

   The facility for voting through electronic voting system will also be made available at the AGM ("Insta Poll") and members attending the AGM who have not cast their vote(s) by remote e-voting will be able to vote at the AGM through Insta Poll.

Instruction for members for voting during AGM through Insta Poll is as follows:

a) The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the chairman during the AGM proceedings. Shareholders shall click on the same to take them to the "Insta poll" page.

b) Members to click on the "Insta poll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

c) Only those shareholders, who are present in the AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through Insta Poll system available during the AGM.

5) Facility to join the VC or OAVM meeting will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the AGM and will be available for 1,000 members on a first come first-served basis. This rule of entry being provided on a first come first served basis would, however, not apply to participation of shareholders/members holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors etc.

6) Members who need assistance before or during the AGM, can contact KFinTech on einward.ris@kfintech.com or call on toll free number 1800-345-4001. Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.

22) General Instructions:

a) The Chairman shall formally propose to the members participating through VC or OAVM facility to vote on the resolutions as set out in the Notice of the twenty seventh AGM and announce the start of the casting of vote through the e-voting system of KfinTech.

b) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting and make a consolidated Scrutinizers' report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.

c) The Scrutinizer shall submit his report to the Chairman of the Company, who shall declare the result of the voting. The results declared along with the Scrutiniser's report shall be placed on the Company's website https://www.capgemini.com/in-en/what-we-do/group-overview/capgemini-technology-services-india-limited-formerly-known-as-igate-global-solutions-limited/ and on the website of KfinTech– http://evoting.karvy.com.The resolutions shall be deemed to be passed at the e-AGM of the Company.

By Order of the Board of Directors
For Capgemini Technology Services India Limited

Date: 17 August 2020
Place: Mumbai

Armin Billimoria
Company Secretary
FCS: 8637

Registered office:
No. 14, Rajiv Gandhi Infotech Park,
Hinjewadi Phase-III, MIDC-SEZ,
Village Man, Taluka Mulshi,
Pune-411 057

BOARD'S REPORT

Dear Members,

The Directors are pleased to present the Twenty Seventh Board's Report and the Audited Financial Statements for the year ended 31 March 2020.

FINANCIAL PERFORMANCE

(INR in million)

	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Income				
Income from operations	147,327	136,030	151,715	140,427
Other Income	5,703	4,394	5,776	4,375
Total Income (I)	153,030	140,424	157,491	144,802
Expenses				
Employee benefit expenses	98,877	89,620	100,715	91,465
Other expenses	23,555	25,490	24,936	27,634
Depreciation and amortization expenses	6,725	4,401	6,899	4,465
Finance costs	715	106	746	107
Total (II)	129,872	119,617	133,296	123,671
Profit before tax (I) –(II)	23,158	20,807	24,195	21,131
Tax expenses				
-Current tax	5,141	3,887	5,317	4,052
-Deferred tax	2,311	1,178	2,309	1,156
Total tax expenses	7,452	5,065	7,626	5,208
Profit after taxes	15,706	15,742	16,569	15,923
Total Comprehensive Loss, Net of Tax	(3,366)	(841)	(3,342)	(831)
Total Comprehensive Income for the period	12,340	14,901	13,227	15,092

Financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, (Act) and other relevant provisions of the Act read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

Operational Review:

During the Financial year 2019-20, the Sales and Other Income of your Company was INR 153,030 million as against INR 140,424 million in the previous year, showing a growth of 9% over the previous year. The Company earned /Profit after tax (PAT) of INR 15,706 million as against INR 15,742 million in the previous year.

Share Capital:

The Authorized Capital of the Company as on 31 March 2020 was INR 2,748,500,000 (Indian Rupees Two Thousand Seven Hundred Forty Eight Million Five Hundred Thousand only) divided into 250,050,000 (Two Hundred Fifty Million Fifty Thousand) Equity Shares of INR 10 (Indian Rupees Ten only) each, 10,800,000 (Ten Million Eight Hundred Thousand) Compulsorily Convertible Preference Shares of INR 10 (Indian Rupees Ten only) each and 14,000,000 (Fourteen Million) 5% 10 years Redeemable Non-Cumulative Preference Shares of INR 10 (Indian Rupees Ten only) each.

The Issued and Paid-up Capital of the Company as on 31 March 2020 stood at INR 591,395,000 (Indian Rupees Five Hundred Ninety One Million Three Hundred Ninety Five Thousand only) divided into 59,139,500 (Fifty Nine Million One Hundred Thirty-Nine Thousand Five Hundred) equity shares of INR 10 (Indian Rupees Ten only) each. During the year under review, the Company has not issued any shares, nor granted any stock option or equity shares.

Transfer to General Reserves:

The Board of Directors of your company, has decided not to transfer any amount to the Reserves for the year under review.

Dividend:

Keeping in view the future strategic initiatives of the Company, your Directors do not recommend any dividend for the year ended 31 March 2020

Particulars of loans, guarantees and investments:

The particulars of loans, guarantees and investments have been disclosed in the financial statements. There have been no guarantees given under Section 186 of the Companies Act, 2013 (Act) during the year under review. The particulars of loans given as part of operations of the Company bearing interest 10% p.a. form part of the financials.

The Company purchased 100% stake in Liquidhub India Private Limited and Liquidhub Analytics Private Limited from Capgemini America, Inc. during the year under review.

Deposits:

Your Company has not accepted any deposits and as such there were no outstanding principal or interest payments on the Balance Sheet date.

Subsidiaries:

As on 31 March 2020, your Company has subsidiaries in India:

- The Company has three (3) subsidiaries and four (4) stepdown subsidiaries as on 31 March 2020. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").
- Annik UK Limited, stepdown subsidiary of the Company is under liquidation.
- Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company https://www.capgemini.com/in-en/what-we-do/group-overview/capgemini-technology-services-india-limited-formerly-known-as-igate-global-solutions-limited/.

In line with the Group's overall business strategy, two Schemes of Amalgamation have been filed with National Company Law Tribunal to amalgamate the wholly owned subsidiaries:

- Amalgamate IGATE Infrastructure Management Services Limited with the Company
- Amalgamate Liquidhub India Private Limited and Liquidhub Analytics Private Limited with the Company. Under one Scheme of Amalgamation both the said entities are proposed to be amalgamated.

Appropriate filings have been undertaken. As per Section 129 (3) of the Act, the Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with the relevant Accounting Standard specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, forms part of this Annual Report. Pursuant to the provisions of the said Section, a statement containing the salient features of the financial statements of the Company's Subsidiaries, Associates and Joint Ventures in Form AOC-1 is being annexed as Annexure I in this Annual Report.

There have been no material changes in the nature of the business of the Subsidiaries during the Financial Year 2019-20. Acquisitions/ divestments, as applicable have been adequately disclosed in the Financial Statements.

The annual accounts of the Subsidiary Companies are available for inspection of the Members at the Registered Office of the Company. A copy of the same shall be sent to a Member upon request.

In line with the requirements of Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial information of its Subsidiaries.

In accordance with Section 136 of the Act, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are electronically available on our website https://www.capgemini.com/in-en/what-we-do/group-overview/capgemini-technology-services-india-limited-formerly-known-as-igate-global-solutions-limited/.

Related Party Transactions:

Your Company has historically adopted practice of undertaking related party transactions only in the ordinary and normal course of business and at arm's length. None of the transactions with related parties fall under the scope of Section 188 (1) of the Act. Particulars of contracts are given in Annexure II in Form AOC-2 and the same forms part of this report.

Business Activities:

Your Company is one of the leading providers of IT services globally. The vision for your Company's business is to earn our clients' trust and maximize value of their businesses by providing solutions that integrate deep industry insights, leading technologies and best in class execution.

Corporate Governance:

The goal of corporate governance is to ensure fairness for every stakeholder. We believe sound corporate governance is critical for enhancing and retaining stakeholder trust. Our Board exercises its fiduciary responsibilities in the widest sense of the term.

Investor Education and Protection Fund:

As per provisions of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company had sent notices to members whose shares were due to be transferred to Investor Education and Protection Fund (IEPF) account at their last known addresses as available with the Company and simultaneously a newspaper advertisement was published with respect to such proposed transfer. Total 1,427 equity shares held by 180 members were transferred during the Financial Year 2019-20 to IEPF account. To claim the same from IEPF, concerned members owning such shares must contact the Company at cgcompanysecretary.in@capgemini.com or its Registrar and Share Transfer Agent, Kfin Technologies Private Limited at einward.ris@kfintech.com or IEPF authority.

During the Financial Year 2019-20, there was no liability on the Company to transfer any amount to IEPF account and the Company is fully compliant.

The Company has appointed Nodal Officer under the provisions of IEPF, the details of which are available on website of the Company.

Dematerialization of Shares

As on 31 March 2020, 99.99% of our shares were held in dematerialized form and the rest in physical form. We request shareholders whose shares are in the physical mode to dematerialize their shares and update their bank accounts and email IDs with the respective depository participants to enable us to provide better service.

Green Initiative

Your Company believes in driving environmental initiatives and also empower its stakeholders. Shareholders holding shares in dematerialized mode have been requested to register their email address, dividend bank account details and mobile number with their depository participants. Those holding shares in physical mode have been requested to furnish their email address, bank account details and mobile number with Company at cgcompanysecretary.in@capgemini.com or its Registrar and Share Transfer Agent, Kfin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) at einward.ris@kfintech.com. Updating all the relevant information will enable shareholders to receive communications on time. Besides, every year, the Company ensures that electronic copies of the Annual Report and the Notice of Annual General Meeting are sent to all members whose email addresses are registered with the Company / depository participant(s).

Change in name of Company's Registrar and Share Transfer Agent (RTA)

The name of the Company's RTA is changed to KFin Technologies Private Limited from Karvy Fintech Private Limited effective 05 December 2019.

Directors and Key Managerial Personnel:
Independent Directors:
Pursuant to the provisions of Section 149 of the Act, Ms. Kalpana Rao (DIN: 07093566) and Mr. Ramaswamy Rajaraman (DIN: 00038146) were reappointed for second term as Independent Directors through Postal Ballot completed on 20 March 2020. They have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act.

Appointments:

During the period under review there were no new appointment of director.

Resignations:

The following resignations were received during the year until the date of the report:

- Mr. Ritesh Talapatra, Director resigned on 04 February 2020.
- Ms. Karine Marchat, Director resigned on 04 February 2020.
- Mr. Thierry Delaporte, Director resigned on 05 May 2020.

The Board places on record the valuable contributions made by Mr. Ritesh Talapatra, Ms. Karine Marchat and Mr. Thierry Delaporte during their tenure.

Reappointment of Directors:

The following Directors were reappointed in the Board Meeting held on 04 February 2020. Shareholder approval for these reappointments were obtained through Postal Ballot completed on 20 March 2020:

- Mr. Srinivasa Rao Kandula (DIN: 07412426) was reappointed as Wholetime Director designated as Chairman of the Company.
- Mr. Ashwin Yardi (DIN: 07799277) was reappointed as Wholetime Director designated as Chief Executive Officer of the Company.
- Ms. Aruna Jayanthi (DIN: 00817860) was reappointed as Wholetime Director of the Company.

In accordance with the terms of Memorandum and Articles of Association of the Company, Mr. Srinivasa Rao Kandula (DIN: 07412426), Mr. Ashwin Yardi (DIN: 07799277), Ms. Aruna Jayanthi (DIN: 00817860), Mr. Hubert Giraud (DIN: 00817709) and Mr. Paul Hermelin (DIN: 07887276) retire and are eligible for re-appointment.

None of the Directors are related to each other within the meaning of the term “relative” as per Section 2 (77) of the Act.

Board Meetings:

The Board met five (5) times during the Financial Year 2019-20.

The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

Committees of the Board and their Composition:

As on 31 March 2020, the Board had four committees, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee.

Audit Committee comprises of three Directors namely Mr. Ramaswamy Rajaraman, Ms. Kalpana Rao and Mr. Srinivasa Rao Kandula.

Nomination and Remuneration Committee comprises of three Directors namely Ms. Kalpana Rao, Mr. Ramaswamy Rajaraman and Mr. Hubert Giraud.

Corporate Social Responsibility Committee comprises of six Directors namely Ms. Kalpana Rao, Mr. Ramaswamy Rajaraman, Mr. Srinivasa Rao Kandula, Mr. Ashwin Yardi, Ms. Aruna Jayanthi and Mr. Hubert Giraud.

Stakeholders Relationship Committee comprises of three Directors namely Mr. Ramaswamy Rajaraman, Ms. Kalpana Rao and Mr. Srinivasa Rao Kandula.

Annual Evaluation of the Performance of the Board, its Committees and of Individual Directors:

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Companies Act, 2013.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as board structure and composition, formation and delegation of responsibilities to Committees, Board processes and their effectiveness, degree of effective communication with the stakeholders.

The performance of the Board Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as Committee composition, structure, effectiveness of Committee Meetings.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

Performance evaluation of Independent Directors was done by the entire Board excluding the Independent Directors being evaluated.

Directors’ Appointment and Remuneration Policy:

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a Policy for selection and appointment of Directors, Senior Management and their remuneration. The Directors’ Appointment and Remuneration Policy is annexed as Annexure III.

Risk Management Policy:

The Company has established a Risk Management Policy (Policy) which sets out the Company’s principles and processes with regard to identification, analysis and management of applicable risks. The Policy mandates the ways in which respective risks are expected to be mitigated and monitored.

Vigil Mechanism:

The Company has established a Code of Ethics and Business Conduct (Code) which is applicable to its Employees and Directors in accordance with the provisions of Section 177(9) and (10) of the Act. The Code also extends to its suppliers and partners. Regular dissemination of the code and trainings are conducted to reinforce the concepts and ensure that any changes are communicated. The Company's vigil mechanism deals with reporting and dealing with instances of fraud and mismanagement and forms part of the Code. The Company has in place a confidential reporting mechanism for any whistle blower to report a matter.

Secretarial Standards:

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

Directors' Responsibility Statement:

Pursuant to the requirements of Section 134 (5) of the Act, the Directors hereby confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards has been followed and there are no material departures;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the annual accounts on a going concern basis;
5. they have laid down internal financial controls, which are adequate and are operating effectively;
6. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Human Resources:

Your Company maintains a healthy and productive environment and offers clean and ergonomic workspaces. Human resources are key assets of your Company and your Company invests continuously in imparting latest technology skills together with a range of soft skills to help them in their roles. Your Company has a strong talent management processes to nurture employee careers, groom future leaders and create a high performance workforce. Your Company follows global best HR practices. Your Company's total manpower as on 31 March 2020 was 108,484.

Particulars of Employees:

Information pursuant to Section 197(12) of the Act read with the provisions of Rule 5(2) of Chapter XIII, of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as Annexure IV to this report.

Audit Report

Auditors:

Messrs. B S R & Co. LLP (ICAI Firm Registration Number 101248W/100022) were appointed as the Statutory Auditors of the Company in the Annual General Meeting held on 28 December 2015 for a term of five years until the conclusion of the 27th Annual General Meeting of the Company to be held in the year 2020.

The Board has proposed, subject to approval of the Members in the ensuing Annual General Meeting, the appointment of Price Waterhouse Chartered Accountants LLP (Registration No. 012754N/N500016) as Statutory Auditors of the Company to hold office for a period of five years i.e. from the conclusion of this Meeting till the conclusion of 32nd Annual General Meeting of the Company to be held in the year 2025, in place of the retiring Auditors, Messrs. B S R & Co. LLP (ICAI Firm Registration Number 101248W/100022).

The notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.

Secretarial Audit:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed Parikh & Associates, Company Secretary (CP: 11717), to undertake Secretarial Audit of the Company for the year ended 31 March 2020. The Secretarial Auditors' Report is enclosed as Annexure V to the Board's report in this Annual Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Cost Records and Cost Audit:

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

Internal Financial Controls:

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Accordingly, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices and key business areas.

Corporate Social Responsibility:

The Company has always been committed to Corporate Social Responsibility (CSR) and CSR has been one of the commitments to the society. The Company has been carrying out the CSR activities in line with the focus areas. Presently, CSR is being regulated by law and the Management is determined to strengthen the commitment to further the CSR initiatives in accordance with law.

The brief report of the CSR initiatives undertaken by the Company on CSR activities during the year are set out in Annexure VI of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Policy is available on the website of the Company - https://www.capgemini.com/in-en/what-we-do/group-overview/capgemini-technology-services-india-limited-formerly-known-as-igate-global-solutions-limited/.

COVID-19:

In first quarter of 2020, COVID-19 developed rapidly and World Health Organization declared a global pandemic forcing governments to enforce lockdowns of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees and on minimizing disruption to services for all our customers globally. Our teams reacted with speed and efficiency and quickly leveraged technology to shift the workforce to an entirely new "work from home" model. Proactive preparations were done in our work locations during this transition to ensure our offices were safe. Close to 95% of the workforce were enabled in a rapid manner to work remotely and securely, thus ensuring that client commitments were not materially compromised.

Company has rolled out several initiatives to make teams and managers effective while working from different locations. Company has also launched a series of initiatives related to COVID-19 awareness and the new remote way of working, with a focus on the health and wellness of employees. We have extended support to the employees impacted by this pandemic, including those who tested positive for COVID-19. The Company would implement a phased and safe return-to-work plan as and when lockdown restrictions are relaxed.

The unprecedented times brought about by COVID 19 has disrupted lives and livelihoods, changing the way people live across the country. Your Company reached out to the various affected communities in collaboration with NGO partners and the government.

Your Company ensured reaching out to the most marginalized communities. Your Company reached out to 781,519 individuals across 15 cities. These people come from various backgrounds – sanitation workers, sex workers' families, nomadic tribes, migrant workers, people with disabilities, families of cancer affected children, HIV/AIDS infected families. Your Company's response work can be summarized through following sections:

- **Providing Safety Materials**

  Your Company provided safety materials to various government hospitals enabling the frontline heath warriors with essential equipment. Through this engagement, your Company provided 38,000 PPE kits, 250,000 3 ply masks, 126,000 N95 masks, 17,600 face shields, 500 Non-contact IR thermometers and 63,000 other materials which include gloves, sanitizers, goggles, etc.

- **Cooked Meals and Ration Distribution to Affected People**

  Your Company provided dry rations kits to 19,874 families who have access to cooking facilities. For others who do not have the same, your Company distributed cooked meals. In all 652,000 cooked meals were served across different communities and geographies.

- **Technology Solution Developed**

  Leveraging on the technological skillsets, your Company is working closely with academic institutions, government departments and NGO partners to develop solutions creating larger impacts and reaching out to more communities.

1. **CovTrack**

   - The app would enable authorities to track home quarantined members and ensure compliance.

- The app would help prevent breach of quarantine procedures.
- Quarantined individuals can seek immediate support for testing/ hospitalization.
- The app would also facilitate securing essential supplies like medicines etc. at their doorstep.

2. **Tollfree helpline and online counselling services**
   - Your Company has set up a tollfree helpline to provide counselling services to those in distress.
   - With increased number of incoming calls, your Company has also set up online chat services providing counselling support.
   - This is anchored by a team of counsellors and psychiatrist through 9 AM to 9 PM services on all days.

3. **Accelerated development of COVID19 Antigen and Antibody**
   - Development of peptide based COVID19 serology test kit in partnership with IISC.
   - Epitope-specific sero epidemiology of SARS-CoV2.
   - Establishment of COVID19 Antigen detection kit.

4. **Covid-19 Testing Kits**
   - With IIT Madras and Special Task Force, Principal scientific advisor's office, Government of India, your Company is helping with finances to create cheaper and quicker test kit for COVID-19 in collaboration with IIT-Madras.

5. **KISSANMART-Smart Digital Agricultural Supply Chain Management Platform**
   A community platform to:
   - ensure quality seeds and other essential farm inputs need to be available to the farmers in a safe and timely manner.
   - ensure better income & support system for the producer (farmer) by eliminating the intermediately factors who often work in a non-transparent way leading to economic losses to producers.
   - provide opportunities to farmers for consultancy, trainings and knowledge sharing to generate awareness around innovative approaches for the agricultural production.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:
As prescribed under sub-Section (3) (m) of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are given below.

Conservation of Energy: The operations of the Company are not energy intensive. However, significant measures are being taken to reduce energy consumption by ensuring that the entire product range including personal computers, servers and peripherals are designed keeping in view the Company's energy saving philosophy. The Company constantly evaluates new technologies and invests to make its infrastructure more energy efficient.

Technology Absorption: The Company does not have any technical collaboration arrangements with any business partners, the issue of absorption of such technologies therefore, does not arise.

Foreign Exchange Earnings and Outgo: The Company earned INR 129,942 million in foreign exchange as against INR 124,083 million in the previous year. Exchange outgo, including capital goods was INR 6,668 million as against INR 6,686 million in the previous year.

Other Disclosures:

Extract of Annual Return: Pursuant to section 92(3) and section 134(3) (a), extract of Annual Return as on 31 March 2020 in MGT-9 is enclosed as Annexure VII.

Material Changes and Commitments Affecting Financial Position between end of the Financial Year and Date of Report: There have been no material changes and commitments affecting financial position between end of the financial year and the date of the report.

Significant and Material Orders: There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: Company has a zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

During the financial year 2019-20, the Company had received 32 complaints on sexual harassment, all were investigated and disposed off with appropriate action taken and no complaint remained pending as on 31 March 2020.

Acknowledgements and Appreciation:

Your Directors take this opportunity to thank the customers, shareholders, bankers, business partners/associates, financial institutions and the Central and State Governments for their constant support and encouragement to the Company. Your Directors also convey their sincere appreciation to all the employees of the Company for their hard work and commitment.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

For and on behalf of the Board of Directors
Capgemini Technology Services India Limited

Srinivasa Rao Kandula
Wholetime Director & Chairman
DIN: 07412426
Place : Bengaluru

Ashwin Yardi
Wholetime Director & Chief Executive Officer
DIN: 07799277
Place: Mumbai

Date : 27 July 2020

ANNEXURE I
Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014

(Figures INR in million)

Sr. no.	Name of subsidiary	Country	Reporting currency	Exchange rate	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% of shareholding
1	IGATE Infrastructure Management Services Limited	India	INR	1	29	(62)	87	120	-	-	(9)	-	(9)	-	100%
2	Liquidhub India Private Limited	India	INR	1	0	1,329	1,594	265	-	1,400	219	41	178	-	100%
3	Liquidhub Analytics Private Limited	India	INR	1	37	842	1,448	569	-	1,352	304	71	234	-	100%
4	Annik Inc., USA (a)	USA	USD	75.41	1	585	812	226	-	1,903	544	62	481	-	100%
5	Liquidhub Sp. z.o.o. (b)	Poland	PLN	18.25	-	-	-	-	-	36	3	0	3	-	100%
6	Dalian Liquidhub Consulting Services Ltd Company (c)	China	CNY	10.63	3	12	16	0	-	19	2	0	2	-	100%
7	Annik UK Limited (d)	UK	GBP	93.09	0	7	7	-	-	1	(1)	0	(1)	-	100%
8	Liquidhub Pte. Ltd. (e)	Singapore	SGD	52.95	2	(19)	51	67	-	105	(2)	-	(2)	-	100%

(a) Wholly-owned subsidiary of Liquidhub Analytics Private Limited

(b) Wholly-owned subsidiary of Liquidhub Analytics Private Limited upto 26 June 2019

(c) Wholly-owned subsidiary of Liquidhub Analytics Private Limited

(d) Wholly-owned subsidiary of Liquidhub Analytics Private Limited

(e) Wholly-owned subsidiary of Liquidhub Analytics Private Limited

Notes: The following information shall be furnished at the end of the statement:
1. Names of subsidiaries which are yet to commence operations- Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year- LiquidHub Sp.z.o.o., Poland and Annik UK Limited is under liquidation

For and on behalf of Board of Directors
Capgemini Technology Services India Limited

Srinivasa Rao Kandula
Wholetime Director & Chairman
DIN: 07412426
Place : Bengaluru

Ashwin Yardi
Wholetime Director & Chief Executive Officer
DIN: 07799277
Place : Mumbai

Armin Billimoria
Company Secretary
FCS: 8637
Place : Mumbai

Sujit Sircar
Chief Financial Officer

Place : Bengaluru

Date : 27 July 2020

ANNEXURE II

Form AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rule, 2014]

Details of material contracts or arrangements or transactions at arm's length basis:

a) Name of related party and nature of relationship

Name of related party	Nature of relationship	Duration of contract	Salient terms
Capgemini S.E.	Ultimate Holding Company	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini America, Inc.	Holding Company	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini North America, Inc.	Holding Company	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
IGATE Infrastructure Management Services Limited	Subsidiary Company	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Liquidhub India Private Limited	Subsidiary Company	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Liquidhub Analytics Private Limited	Subsidiary Company	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Dalian Liquidhub Consulting Services Limited Company	Stepdown Subsidiary Company	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Annik, Inc.	Stepdown Subsidiary Company	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Annik UK Ltd	Stepdown Subsidiary Company	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
LiquidHub Pte. Ltd.	Stepdown Subsidiary Company	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
LiquidHub Sp. z.o.o. (formerly Annik SP z o o)	Stepdown Subsidiary Company - until 26 June 2019	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
IGATE Singapore Pte Ltd	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
IGATE Computer Systems (Suzhou) Co., Ltd.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini (China) Co. Ltd.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini (Hangzhou) Co Ltd	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Argentina, S.A.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Australia Pty Limited	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Belgium NV/S.A.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Business Services (China) Limited	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Business Services Brasil – Assessoria Empresarial Ltda	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Brasil S.A. (formerly CPM Braxis S.A.)	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Canada Inc.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Consulting Österreich AG	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Consulting S.A.S.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Czech Republic s.r.o	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Deutschland GmbH	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Deutschland Holding GmbH	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Educational Services B.V.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini España S.L.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Finland Oy	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini France S.A.S.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Gouvieux S.A.S	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Government Solutions LLC	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Hong Kong Limited	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Italy S.P.A.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Ireland Limited	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines

Name of related party	Nature of relationship	Duration of contract	Salient terms
Capgemini Japan K.K.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Magyarorszag Kft.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Mexico S. DE R.L. DE C.V.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Nederland B.V.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Norge A/S	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Outsourcing Services GmbH	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Polska Sp. z.o.o	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Portugal, Serviços de Consultoria e Informatica, S.A.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Saudi Limited	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Service Romania s.r.l.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Service S.A.S.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Services Malaysia Sdn Bhd	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Singapore Pte. Ltd.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Singapore Pte. Ltd. - Abu Dhabi Branch	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Singapore Pte. Ltd. - Dubai Branch	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Slovensko s.r.o.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Danmark A/S	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Solutions Canada Inc.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Suisse S.A.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Sverige AB	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Technologies LLC	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Technology Services S.A.S.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini UK plc	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Vietnam Co. Ltd	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
CHCS Services Inc.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Inergi LP	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Itelios SAS	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Prosodie S.A.S.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Societe en Commandite Capgemini Quebec Limited Partnership	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Sogeti Deutschland GmbH	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Sogeti Finland Oy	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini DEMS France SAS (formerly known as Sogeti High Tech S.A.S.)	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Sogeti Luxembourg S.A.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Sogeti Nederland B.V.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Sogeti Norge AS	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Sogeti Sverige AB	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Sogeti UK Limited	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Inergi Inc.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Asia Pacific Pte Ltd. - Taiwan Branch	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines

Name of related party	Nature of relationship	Duration of contract	Salient terms
Idean Enterprises Inc. (merged with Capgemini America Inc w.e.f. 3 January 2020)	Fellow subsidiary	01 April 2019 to 03 January 2020	Based on transfer pricing guidelines
New Horizons Systems Solutions Inc	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Philippines Corp.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Asia Pacific Pte. Ltd.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Suisse Slovokia branch	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited)	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
ODIGO SAS	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Interactive Thinking S.R.L.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Financial Services UK Ltd. - South Africa Branch (merged with Capgemini UK Plc – South Africa Branch -262)	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini UK Plc – South Africa Branch -262	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Business Services B.V.	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Capgemini Financial Services UK Limited	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
CHCS Services Inc - India Branch	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines
Idean Enterprises Oy	Fellow subsidiary	01 April 2019 to 31 March 2020	Based on transfer pricing guidelines

b) Aggregate value of the above contracts or arrangements or transactions is Rs. 128,083 Million during the year.

For and on behalf of the Board of Directors
Capgemini Technology Services India Limited

Srinivasa Rao Kandula
Wholetime Director & Chairman
DIN: 07412426
Place : Bengaluru

Ashwin Yardi
Wholetime Director & Chief Executive Officer
DIN: 07799277
Place: Mumbai

Date : 27 July 2020

ANNEXURE III

Remuneration Policy

The philosophy for remuneration of Directors, Key Managerial Personnel (“KMP”) and all other employees of the company (“Company”) is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 (“Act”). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee (“NRC”) has considered the factors laid down under Section 178(4) of the Act, which are as under:

(a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
(b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
(c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Key principles governing this remuneration policy are as follows:

- **Remuneration for Independent Directors and Non-Independent Non-Executive Directors**
  - Independent Directors (“ID”) may be paid sitting fees (for attending the Meetings of the Board and of committees of which they may be members)
  - Quantum of sitting fees may be subject to review on a periodic basis, as required.

  In addition to the sitting fees, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his/her role as a Director of the Company. This could include reasonable expenditure incurred by the Director for attending Board/Board Committee meetings, General Meetings, Court Convened Meetings, Meetings with shareholders/creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a Director.

- **Remuneration for Whole – Time Director (“WTD”)/ Executive Directors (“ED”)/ KMP/ rest of the employees**
  The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be
  ◊ Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent)
  ◊ Driven by the role played by the individual
  ◊ Reflective of size of the Company, complexity of the sector/ industry/ Company’s operations and the Company’s capacity to pay
  ◊ Consistent with recognized best practices and
  ◊ Aligned to any regulatory requirements.

- **In terms of remuneration mix or composition,**
  ◊ The remuneration mix for the WTD/EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
  ◊ Basic/fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
  ◊ In addition to the basic/fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also offers social security coverage as applicable. Other benefits offered are Medical Insurance coverage, life, accidental and disability coverage. We also run Wellness Program for our employees under which doctors come and talk to them on topics such as lifestyle and health related issues, well-being etc.
  ◊ The Company provides retirement benefits as applicable.

- In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company provides WTD/EDs such remuneration by way of an annual incentive remuneration/performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

- **Policy implementation**
  The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

ANNEXURE IV

Particulars of Employees as required under Rule 5(2) of Chapter XIII the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,forming part of the Board's Report for the year ended 31 March 2020

Top 10 Employees in terms of Remuneration drawn

Sr. no.	Name	Designation of the employee	Remuneration received in INR	Qualification	Experience	Date of commencement of employment	Age	Last employment held
1	Aruna Jayanthi	Executive Vice President	66,089,191	B.Sc., MBA	35	15 February 2000	57	Aptech Ltd.
2	Ashwin Yardi	Executive Vice President	55,173,113	B.E., MBA	26	01 April 1997	51	PricewaterhouseCoopers India LLP
3	Chellanamasivayam M M	Executive Vice President	47,587,134	B.E.	30	15 July 1997	52	Arthur Andersen India Pvt. Ltd.
4	Kishor Keshaorao Wikhe	Executive Vice President	38,758,885	M.E.	28	30 November 2010	51	Symphony Services Corp India Pvt. Ltd.
5	Milind Vinod Dikshit	Executive Vice President	33,181,091	B. Tech., PGDBM	24	22 October 2012	48	Mphasis Ltd.
6	Amit Parekh	Executive Vice President	32,977,054	B.Com., CA	28	01 April 2016	52	Capgemini Australia Pte Ltd.
7	Viraj Mhatre	Executive Vice President	32,265,244	B.E.	31	11 May 1998	53	Indigo Technologies
8	Eric Anklesaria	Vice President	31,555,970	Bachlor of Business Management	21	14 September 1998	42	KPMG Advisory Services Pvt. Ltd
9	Atul Kulshreshtha	Vice President	31,322,647	Chartered Accountant	17	25 March 2014	54	EX2 Grade
10	Clifton Menezes	Executive Vice President	31,047,290	MSC, MBA	34	15 March 2012	56	Tata Consultancy Services Limited

The Employees who were employed throughout the financial year, were in receipt of remuneration in the aggregate, was not less than One Crore and Two Lakh Indian Rupees (INR 1.02 Crore)

Sr. no.	Name	Designation of the employee	Remuneration received in INR	Qualification	Experience	Date of commencement of employment	Age	Last employment held
1	Aruna Jayanthi	Executive Vice President	66,089,191	B.Sc., MBA	35	15 February 2000	57	Aptech Ltd.
2	Ashwin Yardi	Executive Vice President	55,173,113	B.E., MBA	26	1 April 1997	51	PricewaterhouseCoopers India LLP
3	Chellanamasivayam M M	Executive Vice President	47,587,134	B.E.	30	15 July 1997	52	Arthur Andersen India Pvt. Ltd.
4	Kishor Keshaorao Wikhe	Executive Vice President	38,758,885	M.E.	28	30 November 2010	51	Symphony Services Corp India Pvt. Ltd.
5	Milind Vinod Dikshit	Executive Vice President	33,181,091	B. Tech., PGDBM	24	22 October 2012	48	Mphasis Ltd.
6	Amit Parekh	Executive Vice President	32,977,054	B.Com., CA	28	1 April 2016	52	Capgemini Australia Pte Ltd.
7	Viraj Mhatre	Executive Vice President	32,265,244	B.E.	31	11 May 1998	53	Indigo Technologies
8	Eric Anklesaria	Vice President	31,555,970	Bachelor of Business Management	21	14 September 1998	42	KPMG Advisory Services Pvt. Ltd
9	Atul Kulshreshtha	Vice President	31,322,647	Chartered Accountant	17	25 March 2014	54	EX2 Grade

Sr. no.	Name	Designation of the employee	Remuneration received in INR	Qualification	Experience	Date of commencement of employment	Age	Last employment held
10	Clifton Menezes	Executive Vice President	31,047,290	MSC, MBA	34	15 March 2012	56	Tata Consultancy Services Limited
11	Sujit Sircar	Executive Vice President	28,385,000	B.Com., CA	30	15 April 1998	52	Wipro Ltd.
12	Aruna Anantha Padmanabhan	Executive Vice President	27,814,496	Bachelor Of Law	31	22 March 2010	53	IBM India Pvt. Ltd.
13	Srinivasa Rao Kandula	Executive Vice President	27,075,813	M.A., MBA, Ph.D	31	8 January 2007	57	Sasken Technologies Ltd.
14	Antoine Imbert	Vice President	26,534,351	Masters in Public Affairs	11	01 October 2018	37	Capgemini Services SAS
15	Arul Kumaran Paramanandam	Executive Vice President	25,081,974	B.Sc.	27	22 May 2003	47	Accenture Services Pvt. Ltd.
16	Mahesh Chandra Guru	Vice President	24,672,376	B.E., MBA	27	11 July 1995	48	IGATE Corporation
17	Niraj Parihar	Executive Vice President	20,667,083	B.E.	25	1 June 2011	47	Larsen and Tubro Infotech Ltd.
18	Sudharshan Shankavaram	Executive Vice President	20,621,885	M.E.	27	17 June 2013	48	Syntel Ltd.
19	Bharat Mehta	Executive Vice President	19,872,891	LLB	27	18 August 2011	48	Oracle Financial Services Software Limited
20	Anil Jalali	Executive Vice President	19,165,809	MBA	24	17 November 2016	49	IBM India Pvt. Ltd.
21	Deepankar Khiwani	Executive Vice President	19,105,434	CA., PGDBM	22	1 June 1998	48	SmithKline Beecham Pharmaceuticals Ltd.
22	Sudhakar Takke	Executive Vice President	18,480,995	B.E., MBA	23	4 June 2012	46	Mphasis Ltd.
23	Neha Punater	Vice President	18,359,678	Postgraduate Diploma	23	14 September 2018	49	KPMG Advisory Services Pvt. Ltd
24	Sivakumar Nuti	Executive Vice President	18,098,158	M.Sc.	27	6 August 2012	51	GSS Infotech Pvt. Ltd.
25	Priyadarshan Ranjankar	Executive Vice President	17,189,123	B.E.	38	13 November 2006	59	Quninnox Consultant Services Ltd.
26	Raj Bengani	Executive Vice President	16,788,811	Master of Comp. Apps./ Mgmt.	32	2 May 2002	54	Covansys India Pvt.Ltd.
27	Ramesh Kumar Ramamurthy	Executive Vice President	16,724,792	M.Sc.	25	12 May 2014	49	Cognizant Technology Solutions India Pvt Ltd
28	Geetanjali Purushottam Khatri	Executive Vice President	16,570,327	Bachelor of Commerce	20	18 March 2011	52	DGBOI Global Services Pvt. Ltd.
29	Prasad Eknath Shetye	Vice President	16,315,412	Bachelor of Engg./ Technology	31	11 January 2001	54	Godrej G E Appliances Ltd
30	Jyoti Chamania	Vice President	16,186,290	Master of Science	34	13 June 1986	55	IGATE Computer Systems Limited
31	Dharmendra Patwardhan	Executive Vice President	15,950,988	B.Com., CA	24	1 April 2016	53	Williams Lea India Pvt.Ltd.
32	Ashish Vasant Patharkar	Executive Vice President	15,865,466	Master of Comp. Management	30	10 December 2009	54	Satyam Computer Services
33	Naresh Rao Talemogaru	Vice President	15,858,993	MBA	31	3 December 2018	54	IBM India Pvt Ltd
34	Jaepy Kurian	Vice President	15,604,247	Bachelor of Engg./ Technology	25	6 October 2014	48	Infosys Limited

Sr. no.	Name	Designation of the employee	Remuneration received in INR	Qualification	Experience	Date of commencement of employment	Age	Last employment held
35	Jaideep Chavan	Vice President	15,394,598	Master of Science	34	1 September 1994	56	Digital Equipment
36	Ramesh Rengachari	Executive Vice President	15,145,821	ICWAI / CMA	37	12 March 2014	56	JP Morgan Services India Pvt Ltd
37	Vasant K Mendon	Executive Vice President	15,013,251	Bachelor of Commerce	35	6 January 1997	56	International Hospital Of Bahr
38	Upendra Sovani	Vice President	14,174,116	BE, PG -Others	36	28 September 1998	57	Philips India Ltd
39	Ambar Anantkrishna Mudur	Senior Director	14,018,386	Bachelor of Engg./ Technology	25	2 February 2015	50	Allianz Managed Operations
40	Mahesh Pinge	Vice President	13,973,517	Bachelor of Engg./ Technology	27	7 March 2005	51	Atos Orgin India Ltd
41	Parvathy L Nair	Vice President	13,914,315	Master's degree - Other	15	4 July 2011	50	McCann Erickson India Pvt Ltd
42	Hrushikesh M	Vice President	13,884,337	B.E., MBA	31	16 March 2006	56	Tech Mahindra Ltd
43	Nandakishor Damodar Naik	Vice President	13,860,370	Bachelor of Engg./ Technology	28	6 June 1994	49	IGATE Computer Systems Limited
44	Uddhav Pandit	Vice President	13,789,989	Bachelors	28	4 March 1998	52	Vantage Information Systems P Ltd
45	Vishal Dixit	Senior Director	13,700,268	Masters in Management	16	3 May 2004	43	IBM India Pvt Ltd
46	Vijay Balakrishna Shanbhag	Executive Vice President	13,465,846	B.E., MBA	28	20 November 1997	51	PricewaterhouseCoopers India LLP
47	Gopalakrishnan Krishnamurthi	Vice President	13,372,235	B.E.	27	15 April 2009	50	Wipro Technologies
48	Girish Wardadkar	Executive Vice President	13,309,052	B.E.	36	5 August 2013	59	Larsen and Toubro Ltd.
49	Parag Rede	Vice President	13,278,438	B.E.	26	3 April 2003	48	MB
50	Debgiri Sanyal	Senior Director	13,169,286	Masters	18	26 November 2018	50	Visa
51	Mukesh Jain	Vice President	13,075,998	M Tech	25	28 November 2018	46	VFS Global Services Pvt Ltd
52	Milind Vilas Bapat	Vice President	13,012,128	B.E.	22	11 September 2008	54	Siemens Information Systems Ltd
53	Narendra Bhosekar	Vice President	12,934,970	MSC, PG -Others	34	10 November 2003	57	L & T Infotech Ltd
54	Ritesh Shah	Vice President	12,835,299	Chartered Accountant	22	12 March 2008	45	Tata Consultancy Services Limited
55	Atul Sood	Vice President	12,779,033	Bachelor of Engg./ Technology - Mechanical	18	21 September 2017	48	Wipro Ltd.
56	Raghu Tantri	Vice President	12,747,178	Master's degree - Other	28	1 December 1991	52	Unilever Indigo
57	Ramakrishna Reddy Lingireddy	Vice President	12,713,457	Bachelor of Engg./ Technology	24	6 January 2005	48	Mahindra British Telecom Ltd
58	Sunilkumar Kalagond	Vice President	12,647,805	B.E.	25	11 June 2009	49	Wipro Technologies
59	Dhiraj Kumar Sinha	Vice President	12,530,466	Masters in Management (Marketing)	26	2 May 1994	49	NTT Data India Private Ltd

Sr. no.	Name	Designation of the employee	Remuneration received in INR	Qualification	Experience	Date of commencement of employment	Age	Last employment held
60	Pooja Herwadkar	Vice President	12,444,747	B.E.	19	28 October 2002	47	Silverline Technologies Ltd
61	Srinivasan Tangella	Executive Vice President	12,359,292	Master of Bus. Admin/ Mgmt.	27	7 January 2008	53	Wipro Technology
62	Rajesh Purushottam Dahale	Vice President	12,243,880	Master of Bus. Admin/ Mgmt.	26	24 August 1998	50	SSA India Pvt Ltd
63	Rajashree Ajit Damle	Vice President	12,115,636	Bachelor of Engg./ Technology	28	23 November 1998	50	Siemens Ltd
64	Chitra Datye	Vice President	12,086,310	Bachelor of Engg./ Technology	28	27 November 2003	50	Syntel India Ltd
65	Bhaskar Pal	Vice President	11,972,939	Master's degree - Other	21	1 July 2013	49	Serviceberry Technologies Pvt. Ltd.
66	Umesh Vikram Singh	Vice President	11,786,124	Bachelor of Engg./ Technology	35	9 May 2013	55	Honeywell
67	Nirmalya Khan	Vice President	11,774,878	ICWAI / CMA	26	11 January 2017	47	Tata Consultancy Services Limited
68	Prasad Acharya	Vice President	11,734,877	Master of Bus. Admin/ Mgmt.	25	28 November 1997	48	PricewaterhouseCoopers India LLP
69	Suresh Prabhakar Rane	Vice President	11,732,792	Bachelor of Engg./ Technology	28	10 June 1993	52	Indtech Instruments Pvt. Ltd.
70	Viswanath Krishnan	Executive Vice President	11,666,991	BCOM, ICWAI	34	13 April 2009	57	Hindustan Uever Limited
71	Sanjeev Gupta	Vice President	11,638,936	Bachelor of Engg./ Technology	32	28 August 2000	52	Siemens Ltd
72	D V Narayan Prasad	Vice President	11,543,176	Chartered Accountant	27	19 August 1998	51	SmithKline Beecham Pharmaceuticals (India) Ltd.
73	Nisheeth Srivastava	Vice President	11,425,770	Bachelor of Engg./ Technology	13	6 December 2018	48	Excitinglives
74	Krishnamurthy Voora	Executive Vice President	11,199,695	Master of Science	29	2 December 2009	53	Mahindra Satyam
75	Rajashekaran Rekha Nair	Vice President	11,146,657	Master of Bus. Admin/ Mgmt.	17	14 September 2010	41	Mphasis Ltd.
76	Padmashree Shagrithaya	Vice President	11,105,842	ACMA & ACS	26	20 September 2018	47	Max Life Insurance
77	Sanjay Binyala	Vice President	11,103,799	Bachelor of Engg./ Technology	25	18 July 2002	46	PricewaterhouseCoopers India LLP
78	Prasad Ramanathan	Senior Director	11,096,158	Master of Science	27	2 May 2008	53	Datamatics Tech. Ltd
79	Kapil Sharma	Senior Director	11,052,807	Bachelor's Degree -Others	16	18 August 2014	46	Infosys BPO Ltd
80	Nagesh M Kumar	Senior Director	11,018,071	Chartered Accountant	27	14 April 1999	47	Sharma & Sastry Chartered Acts
81	Venkatachalam Subramaniam	Senior Director	10,920,530	Master's degree - Other	30	20 February 2013	51	RBC Investor Services
82	Ajith NC	Vice President	10,883,780	Bachelor of Engg./ Technology	20	14 February 2013	43	Mphasis Ltd.
83	Ajit Ramesh Chande	Vice President	10,866,022	Master of Science	26	25 August 1997	50	Neco Schubert And Salzer Ltd,
84	Aashish Chandorkar	Vice President	10,729,507	MBA	20	1 July 2013	42	Cognizant Technology Solutions India Pvt Ltd

Sr. no.	Name	Designation of the employee	Remuneration received in INR	Qualification	Experience	Date of commencement of employment	Age	Last employment held
85	Sanjay Krishnamurthy	Vice President	10,553,247	Bachelor of Bus. Admin/ Mgmt.	27	6 November 2017	49	Team Lease
86	Arunkumar Gopalakrishnan	Senior Director	10,509,120	Master's degree - Other	28	22 March 2007	49	HCL Technologies Ltd
87	Yatin Kapadia	Vice President	10,486,808	Bachelor of Engg./ Technology	23	21 July 1997	44	IGATE Computer Systems Limited
88	Shivaji Chhotaray	Senior Director	10,349,466	Master of Bus. Admin/ Mgmt.	19	1 April 2003	43	Tata Consultancy Services Limited

The Employees who were employed for a part of the financial year were in receipt of remuneration for any part of that year at a rate which, in aggregate throughout the financial year, was in receipt of remuneration in the aggregate, was not less than Eight Lakh Fifty Thousand Indian Rupees per month (INR 8.50 lakh)

Sr. no.	Name	Designation of the employee	Remuneration received in INR	Qualification	Experience	Date of commencement of employment	Age	Last employment held
1	Ritesh Talapatra	Executive Vice President	28,814,356	Masters in Math/Computer Science, MBA	25	10 April 2003	51	Juice Software
2	Pardeep Singh Pahal	Vice President	16,672,895	Master of Bus. Admin/ Mgmt.	26	5 September 2011	49	IGATE Computer Systems Limited
3	Sanjay Pathak	Executive Vice President	15,464,269	B.E.	26	15 April 1997	49	Western Paques
4	Amod Vijayvargiya	Vice President	13,114,159	Master's degree - Other	17	13 October 2003	47	Sierra Atlantic USA
5	Amit Trifale	Senior Director	12,982,664	Bachelor of Engg./ Technology	19	24 August 2001	44	Wipro Ltd.
6	Venkatnarayan Neelakantan	Vice President	12,728,432	Master of Bus. Admin/ Mgmt.	26	24 June 2016	47	Evoke Technologies
7	Radhika Ramesh	Executive Vice President	12,685,877	MBA	18	1 August 2019	53	Accenture Services Pvt Ltd
8	Dayakar Reddy	Executive Vice President	10,604,642	B.Sc.	29	1 April 2015	61	The Australia and New Zealand Banking Group Ltd.
9	Pallavi Tyagi	Executive Vice President	10,142,205	Master of Bus. Admin/ Mgmt.	24	30 September 2019	49	E.I. Dupont India Private Limited
10	Soundarrajan Rangarajan	Vice President	9,218,120	Bachelor's Degree -Others	18	28 April 2010	42	IBM India Pvt Ltd
11	Sanjay Vispute	Vice President	8,269,498	Master of Bus. Admin/ Mgmt.	36	30 September 2014	55	Atos Orgin India Ltd
12	Satish Goyal	Executive Vice President	7,512,719	ICWA	23	9 October 2019	47	Genpact
13	Sanjeev Balasaheb Deshmukh	Vice President	7,000,718	Bachelor of Engg./ Technology	21	22 February 1999	45	IBM India Pvt Ltd
14	Gaurav Khanna	Portfolio Manager	6,161,917	Masters in Computer Application	18	24 May 2010	43	HCL Technologies
15	Meera Srinivasan	Vice President	5,829,917	Bachelor of Science	17	11 November 2019	51	IBM India Pvt Ltd
16	Srikanta Krishnamurthy	Senior Director	5,311,101	B.Sc.	24	6 June 2017	49	Genpact
17	Atul Kumar Samalia	Vice President	5,134,870	MBA	37	1 September 2012	53	Bayer (India) Ltd.
18	Ajit Kumar Choudhary	Senior Director	4,780,298	BA (Psychology)	36	2 August 2004	55	ESAF Small Finance Bank

Sr. no.	Name	Designation of the employee	Remuneration received in INR	Qualification	Experience	Date of commencement of employment	Age	Last employment held
19	Jaideep Potdar	Vice President	4,550,225	Master of Science	16	6 July 2015	53	Tech Mahindra Ltd
20	Venkatakrishnan Iyer	Vice President	4,239,059	Bachelor of Engg./ Technology	18	23 February 2009	47	Satyam Computer Services Ltd
21	Rinkesh Chhetia	Director	3,743,402	Master of Comp. Apps./ Mgmt.	19	31 May 2005	41	Impetus Infotech (India) Pvt Ltd
22	Muralidharan Sundaram	Vice President	3,627,203	Bachelor of Engg./ Technology	18	11 February 2016	51	IGATE Computer Systems Limited
23	Raniprasad Jagannath Palod	Senior Director	3,512,837	Bachelor of Engg./ Technology	16	11 September 2019	39	Sun Pharma
24	Maneesh Pant	Vice President	3,481,683	Bachelor of Engg./ Technology	19	6 November 2019	48	Honeywell
25	Navneesh Sarin	Vice President	3,226,115	Chartered Accountant	25	18 June 2018	51	Bacontinuum (Bank of America)
26	Gaurav Mathur	Senior Director	3,205,267	Bachelor of Engg./ Technology	14	19 June 2006	45	AIG
27	Parinita Patankar	Vice President	3,051,052	Bachelor of Engg./ Technology	22	18 December 2019	46	Accenture Services Pvt. Ltd
28	Vijayalakshmi Pallipuram Venkataraman	Vice President	2,888,603	Bachelor of Engg./ Technology	17	8 November 2019	50	Wells Fargo
29	Jayanthi Subramanian	Vice President	2,669,653	Doctorate in Bus. Admin/ Mgmt.	27	20 January 2020	51	Infosys Limited
30	Rajan Bhatnagar	Senior Director	2,072,412	Master of Engg./ Technology	34	1 November 2000	56	Infogain
31	Manjula Samuel	Director	1,959,021	Bachelor of Engg./ Technology	21	30 September 2019	43	Cognizant Technology Solutions India Pvt Ltd
32	Rashmi Singh	Director	1,784,489	Bachelor of Engg./ Technology	22	25 November 2019	45	Accenture Services Pvt. Ltd
33	Sangharsh Sapre	Senior Director	1,774,500	Master of Bus. Admin/ Mgmt.	28	22 October 2002	53	Mastek Ltd
34	Amitkumar Asimkumar Bhattacharya	Senior Director	1,562,321	Bachelor of Engg./ Technology	23	3 January 2020	45	NRI Financial Tech Pvt ltd
35	Rathinamvelu Subbiah	Director	1,515,197	Master of Bus. Admin/ Mgmt.	22	26 July 2010	45	Unisys Global Service
36	Vandana Rao	Senior Director	1,492,934	Bachelor of Commerce	19	9 December 2019	41	HPE (DXC)
37	Suchitra Vasudevan	Senior Director	1,443,502	Bachelor of Engg./ Technology	26	2 December 2019	48	Cognizant Technology Solutions India Pvt Ltd
38	Subodh Fadnavis	Director	1,272,544	Bachelor of Engg./ Technology	21	11 December 2019	45	EIT Services India Pvt. Ltd
39	Shankar Gyanchandani	Director	1,253,778	Post Graduate Diploma in Business Management	13	8 January 2020	37	KPMG Advisory Services Pvt. Ltd
40	Rajeev Kumar	Director	1,196,175	M Tech	16	4 June 2018	47	Cognizant Technology Solutions India Pvt Ltd
41	Manjunath Sawant	Senior Director	1,052,195	Bachelor of Engg./ Technology	27	1 December 2003	52	Vangurad Technology
42	Amit Agrawal	Senior Manager	1,006,241	Bachelor of Science	15	3 January 2020	36	Barclays Global Service Centre Private Limited

NOTES:

1. None of the employees listed above is a relative of any Director of the Company
2. The nature of employment is contractual in all the above cases
3. None of the employess listed above own 2% or more of the paid up share capital of the Company
4. The above statement covers the remuneration paid by the Company and not by any subsidiary/ies
5. Particulars of employees posted and working outside India and not being Directors or their relatives, drawing more than Indian rupees 102 lakhs per financial year or Indian rupees 8.5 lakhs per month, as the case may be, have not been included in the above statement

For and on behalf of the Board of Directors
Capgemini Technology Services India Limited

Srinivasa Rao Kandula
Wholetime Director & Chairman
DIN: 07412426
Place : Bengaluru

Ashwin Yardi
Wholetime Director & Chief Executive Officer
DIN: 07799277
Place: Mumbai

Date : 27 July 2020

ANNEXURE V

FORM No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members,
Capgemini Technology Services India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Capgemini Technology Services India Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information to the extent provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period)
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the audit period)
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time; (Not applicable to the Company during the audit period)
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008; (Not applicable to the Company during the audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)

(vi) Other laws applicable specifically to the Company namely:

i. Information Technology Act, 2000

ii. The Shops and Establishments Act

iii. Special Economic Zones Act, 2005

iv. Software Technology Parks of India and its regulations

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

The Management of the Company is responsible to ensure compliance with the requirements of the Act and the rules. Our responsibility is to express an opinion based on our audit.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc.

We further report that:

As on 31st March, 2020 the Board of Directors of the Company is constituted with Executive Directors, Non-Executive Directors and Independent Directors.The changes in the composition of the Board of Directors that took place during the period under review were generally carried out in compliance with the provisions of the Act. As regards the appointment and payment of remuneration to Executive Directors, we have relied upon the legal opinions provided by the Company in respect thereof.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are generally systems and processes in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For Parikh & Associates
Company Secretaries

Sarvari Shah
Partner
FCS No: 9697 CP No: 11717
UDIN: F009697B000353524

Place: Mumbai
Date: June, 18, 2020

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

'Annexure A'

To,

The Members
Capgemini Technology Services India Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whereever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

Sarvari Shah
Partner
FCS No: 9697 CP No: 11717
UDIN: F009697B000353524

Place: Mumbai
Date: June, 18, 2020

ANNEXURE VI

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1	A brief outline of the Company's CSR Policy, including overview of the Projects or Programs proposed to be undertaken and a reference to the web-link to the CSR Policy and the Projects or Programs.	The Company's Corporate Social Responsibility Program believes in supporting pivotal areas of social change, which will play a significant role in building a better tomorrow for children and community at large. The Company supports Education (with special emphasis on girl child education), Employability (with dedicated programs for Youths with Disabilities) along with Emergency Response as its focus areas of support. The Company's Corporate Responsibility & Sustainability vision is 'to be leaders in sustainable excellence through a bold and influential approach, positively impacting the Group's future, clients, society and the planet.' The Company's goal is to 'Enhance identity and reputation as a Responsible Corporate by mobilizing and contributing with skills and resources in building a better and harmonized society through intensive collaboration and cooperation with multiple stakeholders including communities, customers, governments and employees.' The key objectives to achieve these goals are: 1. To take up programs that benefit the communities in and around the Company's work centre and further result in enhancing the quality of life and economic well-being of the local populace. 2. To express commitment to the social development good through responsible business practices and good governance. Establish relevance of potential CSR activities to Capgemini's core business and create an overview of activities to be undertaken, in line with Schedule VII of the Companies Act, 2013. 3. To engage with state and its agencies in pursuing the development agenda for sustainable change. The link to the CSR policy is given below : https://www.capgemini.com/in-en/wp-content/uploads/sites/6/2018/01/capgemini-india-csr-policy-v8.pdf Our Architects of Positive Futures program aims to ensure we deliver our business and technology solutions in a way that contributes to a positive future for all. As a global leader in digital transformation we are committed to using our skills to help societies address the impact of the digital revolution and harness the opportunity it brings. **Digital Inclusion:** Being a technology-based company, we acknowledge the fast pace at which this sector is changing and continues to bring in new trends with newer skillsets being available in the market. With this faster advent in ongoing innovations, it becomes critical to ensure we involve all the communities during the process who otherwise get left out due to various disadvantages. Ensuring people from underprivileged backgrounds have access to these technologies driven updates and tools along with the skillsets to utilize them, our programs are designed to ensure these inclusions. Catering to basics of the developmental work in the Indian context, we ensure our programs enable our beneficiaries to sustain in the technology driven socio- economic scope for longer term. **Digital Citizenship:** Education is pivotal to set foundational ground for larger connected societies and interdependent communities. To sustain in the ever-changing landscapes, it becomes critical to inculcate values of transformation and preparing oneself to rediscover and redirect to adapt to the required contribution. We engage with children from multiple marginalized backgrounds and make educational opportunities accessible to them. With basic infrastructure provided to hone their educational attainment, we are equipping them with 21st century skillsets which will not only build their base strong but also qualify them to take on technology-based career prospects. Introducing STEM education through our InnoSTEAM (Science, Technology,

		Engineering, Arts and Mathematics) module had empowered students to overcome their fear of these subjects and explore further avenues to continue with the same. **Digital Academies:** Digital academies are dedicated training programs to use digital tools and develop skills, designed to enable digital citizenship for marginalized communities and enhance their employability.The beneficiaries of the initiative include disadvantaged youth who are NEET (not in education, employment or training). **Tech4Positive Futures:** Tech4Positive Futures (T4PF) is how we bring together technology, business, and society to create and enable a better world. It is our ongoing endeavour to demonstrate how technology and business can drive positive change. Positive futures can be interpreted to mean a vast range of outcomes which enable the creation of a better world or enable better conditions of living for people and our environment. While many people present AI, automation, and digitalization as societal risks, we play a key role in demonstrating how technology and business can drive positive change instead. This is achieved through encouraging innovations from ground level to address societal issues. Solutions thus created are anchored through technology for wider connect and greater reach. These include creation of mobile applications and web-based platforms, fostering innovation in delivery mechanism of pedagogic contents and aspects, encouraging awareness on technology access and equipping skillsets to use them. This foster informed and active participation of larger communities in the socio-economic landscape.
2	The Composition of the CSR Committee	Ms. Kalpana Rao – Chairperson Mr. Ramaswamy Rajaraman Mr. Srinivasa Rao Kandula Mr. Ashwin Yardi Ms. Aruna Jayanthi Mr. Hubert Giraud
3	Average net profits of the Company for the last three financial years	INR 20,030,606,058
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	INR 400,612,121
5	Details of CSR spend for the financial year 2019-20:	
	a) Total amount to be spent for the financial year.	INR 400,612,121
	b) Amount unspent transferred to the unspent CSR account which would be utilized towards the obligation on ongoing projects	INR 48,675,989
	c) Manner in which the amount spent during the financial year.	INR 351,936,132 Overhead – 40,063,382 Program – 311,872,750
6	In case the Company has failed to spend the two percent 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 its Board Report	The Company has approved expenditures of INR 400,612,121 for the financial year (two percent of the average net profit of the last three financial years) MoUs for approved spend are issued to NOG partners. The MoUs clearly articulate that the fund disbursement schedule is based on milestones achievement and ensuring targeted spend from the previous installments. The adherence to these were adversely impacted due to unforeseeable events leading to low achievement rate of the set targets through milestone tracking. The operational impact led to non-utilization of funds by implementation organizations, therefore further disbursements were postponed. The unspent fund will be fully utilized in FY 20-21.

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	The CSR Committee regularly meets to review the existing projects and reflect on the impacts achieved. We have structures Monitoring and Evaluation (M&E) process. The M&E are undertaken project reviews undertaken at fixed intervals of monthly, quarterly and annual periodicity. Monthly – Connects with program teams on projects and key updates. Challenges and inputs are shared during these interactions. An update regarding data compilation on the third-party monitoring platform is also taken. Quarterly – Partner NGOs share quarterly progress reports on the projects and connects with program teams are scheduled with finance lead as well. The aim of these interactions is to have a holistic view on the projects from qualitative and quantitative perspective. CSR team undertakes quarterly visits to the project sites to ensure submitted reports and on-field interventions synchronize with each other. Interactions with multiple stakeholders gives better understanding on the way projects are being perceived on ground. These enable the programs to embed crucial and critical inputs coming from these stakeholders thus strengthening the implementation in this process. Annual – We have financial and non-financial audits conducted at multiple levels. Internal Company – We follow process of conducting internal and third-party financial audit in addition to third party assurance to substantiate our claim on effectiveness of the interventions. Partner NGOs – Submission of audited financial statement on annual basis and year end financial and program audit are also conducted.

Manner in which the amount spent during the financial year is detailed:

Sr. no.	CSR project/ activity identified	Section in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project of program(1) local area or other(2) specify the state or district where projects or programs was undertaken	Amount outlay(budget) project or program wise 2019-20 (INR)	Amount spent on the projects or programs sub heads(1) direct expenditure or program(2) overheads FY 2019-20 (FY)	Cumilative expenditure upto the reporting period ie. FY 2019-20 (INR)	Amount spent direct or through implementing agency
1	Enlight - Scholarship for girl child education	(ii) & (iii)	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates. The project is being implemented in 1. Bangalore (Karanataka) 2. Chennai (Tamil Nadu) 3. Hyderabad (Telangana) 4. Kolkata (West Bengal) 5. Mumbai (Maharashtra) 6. Pune (Maharashtra) 7. Salem (Tamil Nadu) 8. Trichy (Tamil Nadu) 9. Delhi (Delhi NCR)	**16,562,500**	**Direct Cost 11,250,000** **Overheads 1,250,000**	**44,641,250**	**Implementing Agency** Aide et Action
2	Environment - One Planet Academy	(ii) & (iv)	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates. The project is being implemented in 1. Bangalore (Karanataka) 2. Chennai (Tamil Nadu) 3. Noida (UP) 4. Hyderabad (Telangana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Pune (Maharashtra) 8. Salem (Tamil Nadu) 9. Trichy (Tamil Nadu) 10. Delhi (Delhi NCR)	**6,340,729**	**Direct Cost 5,706,656** **Overheads 634,073**	**24,036,400**	**Implementing Agency** World Wide Funds for Nature - India
3	Scholarship for Technical and Medical Education	(ii)	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates. The project is being implemented in 1. Bangalore (Karanataka) 2. Chennai (Tamil Nadu) 3. Noida (UP) 4. Hyderabad (Telangana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Pune (Maharashtra) 8. Salem (Tamil Nadu) 9. Trichy (Tamil Nadu) 10. Delhi (Delhi NCR) 11 Ahmedabad (Gujarat)	**6,295,056**	**Direct Cost 5,639,456** **Overheads 171,600**	**62,062,135**	**Implementing Agency** 1. Prerana 2. Foundation for Excellence 3. Lila Poonawalla Foundation
4	Capgemini Tools to School Program	(ii)	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates. The project is being implemented in 1. Mumbai (Maharashtra)	**3,270,696**	**Direct Cost 2,943,626** **Overheads 327,070**	**17,877,112**	**Implementing Agency** Association for Voluntary Action

Sr. no.	CSR project/ activity identified	Section in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project of program(1) local area or other(2) specify the state or district where projects or programs was undertaken	Amount outlay(budget) project or program wise 2019-20 (INR)	Amount spent on the projects or programs sub heads(1) direct expenditure or program(2) overheads FY 2019-20 (FY)	Cumilative expenditure upto the reporting period ie. FY 2019-20 (INR)	Amount spent direct or through implementing agency
5	Positive Parenting and Child Helpline	(ii)	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates. The project is being implemented in 1. Mumbai (Maharashtra)	**1,436,886**	**Direct Cost 1,365,042** **Overheads 71,844**	**7,923,788**	**Implemnting Agency** Parisar Asha
6	Digital Literacy Program	(ii)	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates. The project is being implemented in 1. Bangalore (Karanataka) 2. Chennai (Tamil Nadu) 3. Noida (UP) 4. Gurgaon (Haryana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Pune (Maharashtra) 8. Salem (Tamil Nadu) 9. Trichy (Tamil Nadu) 10. Bhubaneshwar (Odisha)	**33,377,927**	**Direct Cost 27,887,729** **Overheads 1,365,303**	**34,121,522**	**Implementing Agency** 1. Change Initiatives 2. Deenabandhu Trust 3. Hope Foundation 4. SRF Foundation 5. Sri Sri Ravishankar Vidya Mandir Trust 6. AADHAAR - An Association for Development Harmoney and Action Research
7	School Adoption Program	(ii)	The project is being implemented in the local area where Capgemin Technology Services India Limited has business presence through offices and associates The project is being implemented in 1. Bangalore (Karanataka) 2. Chennai (Tamil Nadu) 3. Noida (UP) 4. Hyderabad (Telangana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Pune (Maharashtra) 8. Salem (Tamil Nadu) 9. Trichy (Tamil Nadu)	**67,769,284**	**Direct Cost 52,565,713** **Overheads 5,840,635**	**254,170,773**	**Implementing Agency** 1. Deenabandhu Trust 2. Sri Sri Ravishankar Vidya Mandir Trust 3. Hope Foundation 4. Plan International (India chapter) 5. SRF Foundation
8	LEAP Digtal Academy	(ii)	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates. The project is being implemented in 1. Bangalore (Karanataka) 2. Chennai (Tamil Nadu) 3. Noida (UP) 4. Hyderabad (Telangana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Pune (Maharashtra) 8. Salem (Tamil Nadu) 9. Trichy (Tamil Nadu)	**132,272,924**	**Direct Cost 125,810,559** **Overheads 8,617,952**	**237,648,397**	**Implementing Agency** 1. Udyogini 2. AADHAAR - An Association for Development Harmoney and Action Research 3. Indian Institute of Technology - Madras 4. Pratham Inforech Foundation 5. Anirban Rural Welfare Society 6. Kherwadi Social Welfare Association 7. Foundation for Excellence 8. Anudip Foundation 9. TNS India Foundation

Sr. no.	CSR project/ activity identified	Section in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project of program(1) local area or other(2) specify the state or district where projects or programs was undertaken	Amount outlay(budget) project or program wise 2019-20 (INR)	Amount spent on the projects or programs sub heads(1) direct expenditure or program(2) overheads FY 2019-20 (FY)	Cumilative expenditure upto the reporting period ie. FY 2019-20 (INR)	Amount spent direct or through implementing agency
9	LEAP Inclusion Digital Academy	(ii)	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates. The project is being implemented in 1. Noida (UP) 2. Hyderabad (Telangana) 3. Mumbai (Maharashtra) 4. Pune (Maharashtra) 5. Delhi (Delhi NCR)	**46,820,306**	**Direct Cost 15,627,414** **Overheads 1,505,824**	**87,096,414**	**Implementing Agency** 1. Youth4Jobs Foundation 2. Sarthak Educational Trust 3. Dr. Reddy's Foundation
10	Niti Aayog - Teacher training for Atal Tinkering Lab	(ii)	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates. The project is being implemented in 1. Bangalore (Karanataka) 2. Chennai (Tamil Nadu) 3. Noida (UP) 4. Hyderabad (Telangana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Pune (Maharashtra) 8. Salem (Tamil Nadu) 9. Trichy (Tamil Nadu)	**24,882,000**	**Direct Cost 22,393,800** **Overheads 2,488,200**	**24,882,000**	**Implementing Agency** 1. SRF Foundation
11	Green Initiatve / Planting 1 lakh trees	(iv)	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates. The project is being implemented in 1. Bangalore (Karanataka) 2. Chennai (Tamil Nadu) 3. Noida (UP) 4. Hyderabad (Telangana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Pune (Maharashtra) 8. Salem (Tamil Nadu) 9. Trichy (Tamil Nadu) 10. Bhubaneshwar (Odisha)	**5,400,000**	**Direct Cost 5,400,000** **Overheads 0**	**5,400,000**	**Implementing Agency** 1. Sri Sri Ravishankar Vidya Mandir Trust
12	NGOs - Capacity Building and exposure to Tech based solution	(ii)	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates. The project is being implemented in 1. Bangalore (Karanataka) 2. Chennai (Tamil Nadu) 3. Noida (UP) 4. Hyderabad (Telangana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Pune (Maharashtra) 8. Salem (Tamil Nadu) 9. Trichy (Tamil Nadu) 10. Bhubaneshwar (Odisha)	**5,217,660**	**Direct Cost 5,165,484** **Overheads 52,176**	**5,217,660**	**Implementing Agency** 1. AADHAAR - An Association for Development Harmoney and Action Research

Sr. no.	CSR project/ activity identified	Section in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project of program(1) local area or other(2) specify the state or district where projects or programs was undertaken	Amount outlay(budget) project or program wise 2019-20 (INR)	Amount spent on the projects or programs sub heads(1) direct expenditure or program(2) overheads FY 2019-20 (FY)	Cumilative expenditure upto the reporting period ie. FY 2019-20 (INR)	Amount spent direct or through implementing agency
13	NSRCEL, Social venture incubation Project	(ix)	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates. The project is being implemented in 1. Bangalore (Karanataka)	**13,650,000**	**Direct Cost 12,967,500** **Overheads 682,500**	**13,650,000**	**Implementing Agency** 1. Indian Institute of Management - Bangalore
14	Train The Trainer Programs On Entrepreneurship For Polytechnic and ITI Faculty	(ix)	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates. The project is being implemented in 1. Chennai (Tamil Nadu)	**666,250**	**Direct Cost 613,652** **Overheads 52,598**	**666,250**	Implementing Agency 1. Indian institute of Technology - Madras
15	Robots for cleaning and intervention in Septic Tanks and Sewer Lines	(ix)	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates. The project is being implemented in 1. Chennai (Tamil Nadu)	**4,894,890**	**Direct Cost 4,650,146** **Overheads 244,744**	**4,894,890**	Implementing Agency 1. Indian institute of Technology - Madras
16	Emergency Response	(ix)	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates. The project is being implemented in 1. Mumbai (Maharashtra) 2. Pune (Maharashtra)	**10,659,500**	**Direct Cost 10,659,500** **Overheads 0**	**10,659,500**	Implementing Agency 1. Sri Sri Ravishankar Vidya Mandir Trust 2. International Association for Human Values
17	Others/Social Development Program	(ii)	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates. The project is being implemented in 1. Bangalore (Karanataka) 2. Chennai (Tamil Nadu) 3. Noida (UP), 4. Hyderabad (Telangana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Pune (Maharashtra) 8. Salem (Tamil Nadu) 9. Trichy (Tamil Nadu)	**1,064,907**	**Direct Cost 1,226,473** **Overheads 0**	**3,347,712**	Implementing Agency 1. Tomorrow's Foundation 2. Ecole Francaise Internationale De Bombay
18	Expenses for CSR Team			**20,030,606**	**16,758,863**		
	TOTAL			**400,612,121**	**351,936,132**	**838,295,803**	

For and on behalf of the Board of Directors
Capgemini Technology Services India Limited

Srinivasa Rao Kandula
Wholetime Director & Chairman
DIN: 07412426
Place : Bengaluru

Ashwin Yardi
Wholetime Director and Chief Executive Officer
DIN: 07799277
Place: Mumbai

Kalpana Rao
Chairperson of CSR Committee
DIN: 07093566
Place : Bengaluru

Date: 27 July 2020

ANNEXURE VII

Form No. MGT 9

EXTRACT OF ANNUAL RETURN
As on financial year ended on 31 March 2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1	CIN	U85110PN1993PLC145950
2	Registration Date	27 December 1993
3	Name of the Company	Capgemini Technology Services India Limited
4	Category/Sub-category of the Company	Public company limited by shares
5	Address of the Registered office & contact details	No.14, Rajiv Gandhi Infotech Park, Hinjawadi, Phase III, MIDC-SEZ, Village Man, Taluka Mulshi, Pune - 411 057, Maharashtra T: +91-20-66992000| F: +91-20-66995050 Email: cgcompanysecretary.in@capgemini.com| Website: https://www.capgemini.com/in-en/what-we-do/group-overview/capgemini-technology-services-india-limited-formerly-known-as-igate-global-solutions-limited/
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Kfin Technologies Private Limited (formerly known as Karvy Fintech Pvt. Ltd.) Karvy Selenium Tower No. B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda Hyderabad: 500 032 – Telangana, India T: +91 040 67161591

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. no.	Name and description of main products / services	NIC code of the product/service	% to total turnover of the company
	Other information technology and computer service activities	62099	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. no.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1	Capgemini America, Inc. 79 Fifth Avenue, 3rd floor, New York NY 10003	NA	Holding	43.10	2(46)
2	Capgemini SE 11, Rue de Tilsitt, 75017 Paris	NA	Holding	35.09	2(46)
3	Capgemini North America Inc. 79 Fifth Avenue, 3rd floor, New York NY 10003	NA	Holding	21.58	2(46)
4	IGATE Infrastructure Management Services Limited No.14, Rajiv Gandhi Infotech Park, Hinjawadi, Phase III, MIDC-SEZ, Village Man, Taluka Mulshi, Pune - 411 057, Maharashtra	U74140PN1999PLC164626	Subsidiary	100	2(87)
5	Liquidhub Analytics Private Limited 2nd Floor, A Block, A wing, IT 1 and IT 2, Airoli Knowledge Park, Thane Belapur Road Airoli, Navi Mumbai - 400708	U72200MH2005PTC339485	Subsidiary	100	2(87)
6	Liquidhub India Private Limited 2nd Floor, A Block, A wing, IT 1 and IT 2, Airoli Knowledge Park, Thane Belapur Road Airoli, Navi Mumbai - 400708	U72200MH2003PTC340967	Subsidiary	100	2(87)

Sr. no.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
7	*Annik Inc. Corporation Service Company, 1201 Hays Street, 32301, Tallahassee, County of Leon, Florida, United States of America	NA	Subsidiary	100	2(87)
8	*Dalian Liquidhub Consulting Services Limited Company Room BC101, No. 31-33-35 Software Park Road, Dalian High-tech Industrial Zone, Liaoning, Peoples Republic of China, China	NA	Subsidiary	100	2(87)
9	*Annik UK Limited 81 Bellegrove Road, Welling, Kent, DA16 3PG United Kingdom	NA	Subsidiary	100	2(87)
10	*Liquidhub Pte. Ltd. 12 Marina Boulevard, # 32 - 02 Marina Bay Financial Centre Singapore 018982	NA	Subsidiary	100	2(87)

*Wholly owned subsidiary of Liquidhub Analytics Private Limited.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year [As on 01 April 2019]				No. of shares held at the end of the year [As on 31 March 2020]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	-	-	-	-	-	-	-	-	-
(2) Foreign									
(a) Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	26,424,337	32,578,024	59,002,361	99.77	59,002,361	-	59,002,361	99.77	0.00
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	**26,424,337**	**32,578,024**	**59,002,361**	**99.77**	**59,002,361**	**-**	**59,002,361**	**99.77**	**0.00**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**26,424,337**	**32,578,024**	**59,002,361**	**99.77**	**59,002,361**	**-**	**59,002,361**	**99.77**	**0.00**
Total shareholding of Promoter (A)	**26,424,337**	**32,578,024**	**59,002,361**	**99.77**	**59,002,361**	**-**	**59,002,361**	**99.77**	**0.00**
B. Public Shareholding									

Category of shareholders	No. of shares held at the beginning of the year [As on 01 April 2019]				No. of shares held at the end of the year [As on 31 March 2020]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	11	0	11	0.00	11	0	11	0.00	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	11	0	11	0.00	11	0	11	0.00	0.00
Sub-total (B)(1):-	**22**	**0**	**22**	**0.00**	**22**	**0**	**22**	**0.00**	**0.00**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	6,607	0	6,607	0.01	5,871	0	5,871	0.01	0.00
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs.1 lakh	126,115	134	126,249	0.22	125,398	133	125,531	0.22	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	2,399	19	2,418	0.00	2,400	19	2,419	0.00	0.00
NRI Non Repatriation	1,843	0	1,843	0.00	1,869	0	1,869	0.00	0.00
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies – D R	-	-	-	-	-	-	-	-	-
IEPF	-	-	-	-	1,427	-	1,427	0.00	0.00
Sub-total (B)(2):-	**136,964**	**153**	**137,117**	**0.23**	**136,965**	**152**	**137,117**	**0.23**	**0.00**
TotalPublic Shareholding (B)=(B)(1)+ (B)(2)	**136,986**	**153**	**137,139**	**0.23**	**136,987**	**152**	**137,139**	**0.23**	**0.00**
C. Shares held by Custodian for GDRs & ADRs									
Not Applicable	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**26,561,323**	**32,578,177**	**59,139,500**	**100**	**59,139,348**	**152**	**59,139,500**	**100**	**0.00**

B) Shareholding of Promoter

Sr. no.	Shareholder's name	Shareholding at the beginning of the year as on 01 April 2019			Shareholding at the end of the year as on 31 March 2020			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1.	Capgemini America, Inc.	25,487,362	43.10	0	25,487,362	43.10	0	0
2.	Pan Asia Solutions	13,659,959	23.10	0	0	0	0	0
3.	Capgemini North America, Inc.	12,764,378	21.58	0	12,764,378	21.58	0	0
4.	Capgemini SE	7,090,662	11.99	0	20,750,621	35.09	0	23.10
	Total	**59,002,361**	**99.77**	**Nil**	**59,002,361**	**99.77**	**Nil**	**23.10**

C) Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the year as on 01 April 2019		Cumulative shareholding during the year (01 April 2019 to 31 March 2020)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	59,002,361	99.77	59,002,361	99.77
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	13,659,959 (held by Pan Asia Solutions)	23.10	13,659,959 (transferred to Capgemini SE on 29 April 2019) (Total 20,750,621 shares held by Capgemini SE as on 31 March 2020)	35.09
At the end of the year	59,002,361	99.77	59,002,361	99.77

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters, IEPF and Holders of GDRs and ADRs):

Sr. no.	Name of top 10 Shareholder	Shareholding at the beginning of the year		Increase / Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	Reason	No. of shares	% of total shares of the company
1.	Ajay Kumar	996	0.00	0	Nil movement	996	0.00
2.	3A Financial Services Limited	875	0.00	204	Purchase		0.00
				-680	Sale	399	0.00
3.	Ramesh Champalal Jain	798	0.00	0	Nil movement	798	0.00
4.	Shri Parasram Industries Pvt Ltd	684	0.00	-50	Sale	634	0.00
5.	Mukta Agarwal	34	0.00	550	Purchase	584	0.00
6.	Bhavnaben Nikhilesh Patel	556	0.00	0	Nil movement	556	0.00
7.	Bahubali Goods Private Limited	550	0.00	0	Nil movement	550	0.00
8.	Arcadia Share & Stock Brokers Pvt Ltd	547	0.00	-547	Sale		0.00
				547	Purchase	547	0.00
9.	Ishwar Jayantilal Kakkad	511	0.00	0	Nil movement	511	0.00
10.	Karvy Stock Broking Limited	469	0.00	428	Purchase		0.00
				-438	Sale	459	0.00

E) Shareholding of Directors and Key Managerial Personnel:

Sr. no.	Key managerial personnel	Shareholding at the beginning of the year			Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	Increase / Decrease in shareholding	Reason	No. of shares	% of total shares of the company
	NA						

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment

Indebtedness at the beginning of the financial year	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Principal amount	-	-	-	-
Interest due but not paid	-	-	-	-
Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in indebtedness during the financial year	-	-	-	-
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
Principal amount	-	-	-	-
Interest due but not paid	-	-	-	-
Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

The Company has not availed any loan during the year and is a debt-free company.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Remuneration to Managing Director (MD), Whole-Time Directors (WTD) and/or Manager:

(Amounts in INR)

Sr. no.	Particulars of remuneration	Name of MD/WTD/ Manager
		Mr. Srinivasa Rao Kandula
		(01 April 2019 to 31 March 2020)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	26,156,599.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	8,081.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	38,166.00
3	Sweat Equity	-
4	Commission - as % of profit - others, specify	-
5	Others - Provident Fund Gratuity Leave Encashment	552,960.00 390,205.00 (70,198.00)
	Total	**27,075,813.00**

Sr. no.	Particulars of remuneration	Name of MD/WTD/ Manager
		Mr. Ashwin Yardi
		(01 April 2019 to 31 March 2020)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19,362,955.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	34,630,873.00
3	Sweat Equity	-
4	Commission - as % of profit - others, specify	-
5	Others - Provident Fund Gratuity Leave Encashment	453,600.00 369,763.00 355,922.00
	Total	**55,173,113.00**

Sr. no.	Particulars of remuneration	Name of MD/WTD/ Manager
		Ms. Aruna Jayanthi
		(01 April 2019 to 31 March 2020)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29,937,813.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	34,640,376.00
3	Sweat Equity	-
4	Commission - as % of profit - others, specify	-
5	Others - Provident Fund Gratuity Leave Encashment	894,600.00 450,057.00 166,345.00
	Total	**66,089,191.00**

Sr. no.	Particulars of remuneration	Name of MD/WTD/ Manager
		Mr. Ritesh Talapatra*
		(01 April 2019 to 07 February 2020)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,340,931.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	17,338,863.00
3	Sweat Equity	-
4	Commission - as % of profit - others, specify	-
5	Others - Provident Fund Gratuity Leave Encashment	548,426.00 (263,068.00) (1,150,796.00)
	Total	**28,814,356.00**
	Total remuneration of all MD/WTD/ Manager	**177,152,473.00**
	Ceiling as per the Act (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)	**2,336,697,793.00**

*Paid remuneration up to 07 February 2020.

B. Remuneration to Other Directors

(Amount in INR)

Sr. no.	Particulars of remuneration	Name of Directors		Total	
1	Independent Directors	**Mrs. Kalpana Rao**	**Mr. Ramaswamy Rajaraman**		
	Fee (INR) for attending board /committee meetings	525,000.00	525,000.00	1,050,000.00	
	Commission	-	-	-	
	Others, please specify	-	-	-	
	Total (1)	525,000.00	525,000.00	1,050,000.00	
2	Other Non-Executive Directors	**Mr. Hubert Giraud**	**Mr. Paul Hermelin**	**Mr. Thierry Delaporte**	**Total Amount (INR)**
	Fee for attending board / committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	1,050,000.00
	Overall Ceiling as per the Act	INR 233,669,779 (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

C. Remuneration To Key Managerial Personnel Other Than MD/WTD/Manager

(Amount in INR)

Sr. no.	Particulars of remuneration	Designation			Total
		CS	CEO	CFO	
		Ms. Armin Billimoria (01 April 2019 to 31 March 2020)	Mr. Ashwin Yardi (01 April 2019 to 31 March 2020)	Mr. Sujit Sircar (01 April 2019 to 31 March 2020)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,652,178.00	19,362,955.00	25,970,561.00	48,985,694.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	10,468.00	10,468.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	34,630,873.00	40,773.00	34,671,646.00
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	Others specify…	-	-	-	-
5	Others -Provident Fund -Gratuity - Leave encashment	 84,018.00 67,326.00 47,326.00	 453,600.00 369,763.00 355,922.00	 748,440.00 1,540,359.00 74,399.00	 1,286,058.00 1,977,448.00 477,647.00
	TOTAL	3,850,848.00	55,173,113.00	28,385,000.00	87,408,961.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of penalty / punishment/ compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Compounding order was passed by Reserve Bank of India (RBI) for INR 100,000 under provisions of Section 5 of Foreign Exchange Management Act and the same was paid by the Company on 25 September 2019 and matter was closed by RBI on 15 October 2019.

For and on behalf of the Board of Directors
Capgemini Technology Services India Limited

Srinivasa Rao Kandula
Wholetime Director & Chairman
DIN: 07412426
Place: Bengaluru

Ashwin Yardi
Wholetime Director & Chief Executive Officer
DIN: 07799277
Place: Mumbai

Date: 27 July 2020

Independent Auditors' Report

To the Members of Capgemini Technology Services India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Capgemini Technology Services India Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2020, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) As required by Section 143(3) of the Act, we report that:

      a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

      b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

      c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

      d) In our opinion, the aforesaid standalone financial statements comply with the specified under section 133 of the Act.

      e) On the basis of the written representations received from the directors as on 31 March 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

      f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 43 to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There are no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company;

      iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No. 046476
UDIN - 20046476AAAADB6846

Mumbai
27 July 2020

Annexure A to the Independent Auditors' Report on the standalone financial statements of Capgemini Technology Services India Limited for the year ended 31 March 2020

(Referred to in our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of immovable properties are held in the name of the Company except for the following which are not held in the name of the Company pending registration of the title in the name of the Company and pursuant to amalgamation of Capgemini India Private Limited with the Company:

Particulars	Gross block as at 31 March 2020 (INR million)	Net block as at 31 March 2020 (INR million)	Total number of cases	Remarks
Leasehold land	72	71	1	Pending registration
Freehold land	50	50	1	Pending pursuant to amalgamation
Leasehold land	106	90	6	Pending pursuant to amalgamation
Building	2,684	1,650	5	Pending pursuant to amalgamation

(ii) The Company is in the business of rendering services, and, consequently, does not hold any inventory. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has granted loans to a party covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to a party covered in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interests of the Company.

(b) In the case of loans granted to the party covered in the register maintained under section 189 of the Act, the repayment of the principal and interest is in accordance with the agreed terms and conditions.

(c) There are no overdue amounts in respect of the loans granted to a party covered and listed in the register maintained under section 189 of the Act.

(iv) In our opinion, and according to the information and explanations given to us, the Company has not undertaken any transactions during the year in respect of loans, guarantees and securities covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of loans given and investments made.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services rendered by the Company. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.

(vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, duty of Customs, Cess and other material statutory dues, were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable. We draw attention to note 43 to the standalone financial statements which more fully explains the matter regarding unpaid provident fund contribution pursuant to Supreme Court judgment dated 28 February 2019.

(b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Service tax, Goods and Service Tax, duty of Customs and Value Added Tax which have not been deposited by the Company on account of disputes, except as mentioned in Appendix 1 to this report.

(viii) In our opinion, and according to the information and explanations given to us, the Company did not have any outstanding dues to any bank, financial institution, government or debenture holders. The Company has not issued debentures during the year.

(ix) In our opinion, and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) In our opinion, and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required under Ind AS 24, Related Party Disclosures, specified under Section 133 of the Act, read with relevant rules issued thereunder.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with such directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No. 046476
UDIN - 20046476AAAADB6846

Mumbai
27 July 2020

Appendix 1:

Name of the Statute	Nature of the Dues	Amount (Rs. million)	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Income-Tax Act, 1961	Income Tax	8	-*	AY 2007-08 and AY 2010-11	Assistant Commissioner Income Tax, Chennai
Income-Tax Act, 1961	Income Tax	191	10	AY 2005-06 to 2009-10; AY 2013-14; AY 2015-16	Commissioner Income Tax (Appeals), Mumbai
Income-Tax Act, 1961	Income Tax	48	12	AY 2007-08 to 2010-11; AY 2015-16 and 2016-17	Commissioner Income Tax (Appeals), Bangalore
Income-Tax Act, 1961	Income Tax	9	-	AY 2012-13; AY 2013-14	Commissioner Income Tax (Appeals), Hyderabad
Income-Tax Act, 1961	Income Tax	1,574	646	AY 2005-06; AY 2014-15 and AY 2017-18	Commissioner Income Tax (Appeals), Pune
Income-Tax Act, 1961	Income Tax	3	-	AY 2008-09	High Court, Andhra Pradesh
Income-Tax Act, 1961	Income Tax	4,734	133	AY 2002-03 to 2003-04; AY2005-06 to 2009-10	High Court, Bombay
Income-Tax Act, 1961	Income Tax	18	-	AY 2002-03 to AY 2003-04	High Court, Karnataka
Income-Tax Act, 1961	Income Tax	1,421	556	AY2010-11; AY 2011-12	Income Tax Appellate Tribunal Mumbai
Income-Tax Act, 1961	Income Tax	18,025	3,520	AY 2009-10 to AY 2015-16	Income Tax Appellate Tribunal, Pune
Income-Tax Act, 1961	Income Tax	135	24	AY 2010-11 to 2014-15	Income Tax Appellate Tribunal, Bangalore
Income-Tax Act, 1961	Income Tax	35	41	AY 2005-06; AY 2010-11	Income Tax Appellate Tribunal, Hyderabad
Income-Tax Act, 1961	Income Tax	697	-	AY 2002-03 to AY 2005-06	Supreme Court
Income-Tax Act, 1961	Income Tax	13	10	AY 2007-08	High Court, Hyderabad
West Bengal VAT	Sales tax	227	-	2008-09; 2009-10 and 2010-11	Appellate and revisional board
Maharashtra VAT/ CST	Sales tax	236	20	2006-07 to 2010-11	Pune Bench of Mumbai Tribunal
Maharashtra VAT/ CST	Sales tax	244	18	2011-12 to 2012-13	Joint Commissioner of Sales Tax (Appeals)
Maharashtra VAT/ CST	Sales tax	176	19	2013-14	Mumbai Tribunal
Maharashtra VAT/ CST	Sales tax	318	17	2014-15	Deputy Commissioner Sales Tax (Appeals)
Maharashtra VAT/ CST	Sales tax	268	2	2013-14 to 2014-15	Joint Commissioner (Appeals)
Delhi VAT/ CST	Sales tax	3	-	2012-13 to 2014-15	Commissioner (Appeals)
UP VAT/ CST	Sales tax	30	-*	2010-11 and 2013-16	Additional Commissioner (Appeals)
Customs Act, 1962	Custom duty	4	4	2007-08	High Court, Bombay
TL VAT/ CST	Works Contract Tax	4	-	2012-13	High Court, Telangana
Finance Act, 1994	Service Tax	67	3	2007-08 to 2014-15	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	20	-	2011-12	Commissioner (Appeals)
Finance Act, 1994	Service Tax	16	1	2015-16 and 2016-17	Commissioner (Appeals)
Finance Act, 1994	Service Tax	132	10	2006-2015	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	134	1	2012-13 to 2015-16	Central Excise service Tax Appellate Tribunal
UP VAT/ CST	Value Added Tax	1	-*	2011	Additional Commissioner (Appeals)

* the amount is below the rounding off limit in million

Annexure B to the Independent Auditors' report on the standalone financial statements of Capgemini Technology Services India Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Capgemini Technology Services India Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No. 046476
UDIN - 20046476AAAADB6846

Mumbai
27 July 2020

Balance Sheet as at 31 March 2020

(Currency : INR in million)

	Note	31 March 2020	31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	*3*	**27,043**	27,159
Right-of-use assets	*4*	**9,226**	-
Capital work-in-progress	*5*	**666**	2,549
Intangible assets	*6*	**152**	324
Financial assets			
Investments	*7*	**4,138**	24
Loans	*8*	**113**	105
Others	*9*	**1,362**	1,178
Deferred tax assets (net)	*10*	**12,081**	14,718
Income tax assets (net)		**7,939**	7,139
Other non-current assets	*11*	**1,351**	1,361
Total non-current assets		**64,071**	54,557
Current assets			
Financial assets			
Investments	*12*	**53,587**	38,173
Trade receivables	*13*	**23,143**	21,720
Cash and cash equivalents	*14*	**12,675**	16,098
Bank balances other than cash and cash equivalents	*15*	**2**	2
Others	*16*	**1,480**	1,941
Other current assets	*17*	**8,615**	6,652
Total current assets		**99,502**	84,586
TOTAL ASSETS		**163,573**	139,143
EQUITY AND LIABILITIES			
Equity			
Equity share capital	*18*	**591**	591
Other equity		**125,188**	112,476
Total equity		**125,779**	113,067
Non-current liabilities			
Financial liabilities			
Lease liabilities	*19*	**6,952**	-
Others	*20*	**781**	857
Provisions	*21*	**7,996**	3,155
Other non-current liabilities	*22*	**-**	491
Total non-current liabilities		**15,729**	4,503
Current liabilities			
Financial liabilities			
Trade and other payables	*23*		
- Due to micro and small enterprises		**17**	19
- Due to other than micro and small enterprises		**5,642**	7,824
Lease liabilities	*24*	**1,626**	-
Others	*25*	**4,256**	4,452
Other current liabilities	*26*	**3,492**	3,437
Provisions	*27*	**5,674**	4,428
Income tax liabilities (net)		**1,358**	1,413
Total current liabilities		**22,065**	21,573
Total liabilities		**37,794**	26,076
TOTAL EQUITY AND LIABILITIES		**163,573**	139,143

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Capgemini Technology Services India Limited
CIN-U85110PN1993PLC145950

Vijay Mathur
Partner
Membership No: 046476

Srinivasa Rao Kandula
Wholetime Director & Chairman
DIN: 07412426
Place : Bengaluru

Ashwin Yardi
Wholetime Director & Chief Executive Officer
DIN: 07799277
Place : Mumbai

Armin Billimoria
Company Secretary
FCS - 8637
Place : Mumbai
Date : 27 July 2020

Sujit Sircar
Chief Financial Officer
Place : Bengaluru

Place : Mumbai
Date : 27 July 2020

Statement of Profit and Loss for the year ended 31 March 2020

(Currency : INR in million)

	Note	31 March 2020	31 March 2019
Revenue from operations	28	**147,327**	136,030
Other income, net	29	**5,703**	4,394
Total income		**153,030**	140,424
Expenses			
Employee benefits expense	30	**98,877**	89,620
Finance costs	31	**715**	106
Depreciation and amortisation expenses	32	**6,725**	4,401
Other expenses	33	**23,555**	25,490
Total expenses		**129,872**	119,617
Profit before tax		**23,158**	20,807
Tax expense:	35		
Current tax		**5,141**	3,887
Deferred tax		**2,311**	1,178
Profit for the year		**15,706**	15,742
Other comprehensive income	34		
(i) Items that will not be reclassified subsequently to Statement of Profit and Loss			
Remeasurements of the defined benefit plans (net)		**(4,450)**	(1,346)
Income tax relating to above item		**1,035**	506
(ii) Items that will be reclassified subsequently to Statement of Profit and Loss			
The effective portion of gains / (loss) on hedging instruments in a cash flow hedge		**(271)**	72
Income tax relating to above item		**95**	(25)
Exchange differences on translation of foreign operations		**225**	(48)
Total other comprehensive loss, net of tax		**(3,366)**	(841)
Total comprehensive income for the year		**12,340**	14,901
Earnings per equity share			
Basic and diluted	41	**265.58**	266.18

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Capgemini Technology Services India Limited
CIN-U85110PN1993PLC145950

Vijay Mathur
Partner
Membership No: 046476

Srinivasa Rao Kandula
Wholetime Director & Chairman
DIN: 07412426
Place : Bengaluru

Ashwin Yardi
Wholetime Director & Chief Executive Officer
DIN: 07799277
Place : Mumbai

Armin Billimoria
Company Secretary
FCS - 8637
Place : Mumbai
Date : 27 July 2020

Sujit Sircar
Chief Financial Officer
Place : Bengaluru

Place : Mumbai
Date : 27 July 2020

Statement of Cash Flows for the year ended 31 March 2020

(Currency : INR in million)

		31 March 2020	31 March 2019
A.	**Cash flows from operating activities**		
	Profit before tax	**23,158**	20,807
	Adjustments for:		
	Depreciation and amortisation expenses	**6,725**	4,401
	Income on mutual funds	**(3,041)**	(3,342)
	Provisions no longer required written back	**-**	(112)
	Provision for doubtful trade receivables written off/ back	**75**	(142)
	Profit on sale / disposal of assets (net)	**(78)**	(2)
	Interest on deposits with banks	**(1,040)**	(349)
	Other interest (including interest on income tax and service tax refunds)	**(150)**	(9)
	Interest on income tax	**81**	89
	Interest on lease obligations	**631**	13
	Interest under MSMED Act, 2006	**3**	4
	ESOP subscription plan and performance plan charge	**321**	10
	Unrealised foreign currency gain (net)	**(135)**	(184)
	Operating profit before working capital changes	**26,550**	21,184
	Changes in working capital		
	(Decrease) / increase in trade and other payables	**(2,201)**	996
	Increase / (decrease)in other current financials liabilities	**215**	(240)
	(Decrease) / increase in other non current financials liabilities	**(69)**	474
	Increase in other current liabilities	**120**	84
	Increase in other non-current liabilities	**-**	32
	Increase in current provisions	**767**	545
	Increase in non-current provisions	**871**	475
	Increase in trade receivables	**(1,334)**	(4,879)
	(Increase) / decrease in non-current assets	**(166)**	503
	(Increase) / decrease in other current assets	**(1,800)**	1,161
	Decrease / (increase) in other financial assets	**193**	(250)
	Cash generated from operations	**23,146**	20,085
	Taxes paid, net	**(4,559)**	(5,578)
	Net cash generated from operating activities	**18,587**	14,507
B.	**Cash flows from investing activities**		
	Purchase of tangible and intangible assets	**(4,433)**	(6,858)
	Proceeds from sale of tangible and intangible assets	**152**	160
	Purchase of non-current investments	**(4,114)**	-
	Purchase of current investments	**(178,763)**	(201,616)
	Proceeds from sale of current investments	**166,389**	207,313
	Interest received on fixed deposits	**1,003**	83
	Net cash used in investing activities	**(19,766)**	(918)
C.	**Cash flows from financing activities**		
	Interest on lease obligations	**(631)**	(13)
	Payment of lease liabilities	**(1,674)**	-
	Net cash used in financing activities	**(2,305)**	(13)
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(3,484)**	13,576

Statement of Cash Flows for the year ended 31 March 2020

(Currency : INR in million)

		31 March 2020	31 March 2019
	Effect of exchange differences on translation of foreign currency cash and cash equivalent	**61**	26
	Add: effect of amalgamation of TCube Solutions Private Limited (refer note 36)	**-**	6
	Cash and Cash equivalents at the beginning of the year	**16,098**	2,490
	Cash and Cash equivalents at the end of the year	**12,675**	16,098
Notes :			
1)	**Reconciliation of cash and cash equivalents:**		
	Cash and cash equivalents comprise of:		
	Remittances in transit	**532**	70
	Current accounts	**459**	600
	EEFC accounts	**214**	493
	Deposits accounts	**11,470**	14,935
	Cash and cash equivalents at the end of the year	**12,675**	16,098

2) Purchase of tangible and intangible assets include payments for items in capital work in progress and advance for purchase of such tangible and intangible assets.

3) Previous year's figures have been regrouped, wherever necessary to conform to the current year's classification.

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Place : Mumbai
Date : 27 July 2020

For and on behalf of the Board of Directors of
Capgemini Technology Services India Limited
CIN-U85110PN1993PLC145950

Srinivasa Rao Kandula
Wholetime Director & Chairman
DIN: 07412426
Place : Bengaluru

Ashwin Yardi
Wholetime Director & Chief Executive Officer
DIN: 07799277
Place : Mumbai

Armin Billimoria
Company Secretary
FCS - 8637
Place : Mumbai
Date : 27 July 2020

Sujit Sircar
Chief Financial Officer
Place : Bengaluru

Statement of Changes in Equity (SOCIE) for the year ended 31 March 2020

(Currency : INR in million)

(a) Equity share capital

	31 March 2020	31 March 2019
Equity share capital balance at the beginning	**591**	591
Movement during the year	**-**	-
Equity share capital balance at the end	**591**	591

(b) Other equity

Particulars	Attributable to the equity holders of the parent											
	Reserves and surplus								Items of Other comprehensive income			
	Capital reserve	Building revaluation reserve	Securities premium	Capital redemption reserve	General reserve	Employees Stock Option reserve	Special Economic Zone re-investment reserve	Retained earnings	Effective portion of cash flow hedges	Exchange differences on translation of foreign operations	Remeas-urements of the defined benefit plans	Total Other equity
Balance at 31 March 2018	(1,952)	1	872	336	1,570	1,212	-	96,094	2	(187)	884	98,832
Effect of amalgamation of TCube Software Solutions Private Limited (refer note 36)	-	-	-	-	-	-	-	(454)	-	-	-	(454)
Restated balance as at 31 March 2018	(1,952)	1	872	336	1,570	1,212	-	95,640	2	(187)	884	98,378
ESOP Subscription plan charge for the year (refer note 46 (iii))	-	-	-	-	-	10	-	-	-	-	-	10
ESOP previously classified as equity awards now classified as liability awards (refer note 46 (ii))	-	-	-	-	-	(813)	-	-	-	-	-	(813)
Transferred to Special Economic Zone re-investment reserve	-	-	-	-	-	-	54	(54)	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	15,742	-	-	-	15,742
Other comprehensive income for the year	-	-	-	-	-	-	-	-	47	(48)	(840)	(841)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15,742**	**47**	**(48)**	**(840)**	**14,901**
Balance at 31 March 2019	**(1,952)**	**1**	**872**	**336**	**1,570**	**409**	**54**	**111,328**	**49**	**(235)**	**44**	**112,476**

Particulars	Attributable to the equity holders of the parent											
	Reserves and surplus								Items of Other comprehensive income			
	Capital reserve	Building revaluation reserve	Securities premium	Capital redemption reserve	General reserve	Employees Stock Option reserve	Special Economic Zone re-investment reserve	Retained earnings	Effective portion of cash flow hedges	Exchange differences on translation of foreign operations	Remeasure-ments of the defined benefit plans	Total Other equity
Balance at 31 March 2019	(1,952)	1	872	336	1,570	409	54	111,328	49	(235)	44	112,476
Debit balance net off with retained earnings as per Ind AS 103	1,952	-	-	-	-	-	-	(1,952)	-	-	-	-
Impact of first - time adoption of Ind AS 116	-	-	-	-	-	-	-	51	-	-	-	51
ESOP Subscription plan charge for the year (refer note 46 (iii))	-	-	-	-	-	13	-	-	-	-	-	13
ESOP charge for performance share 2016 plan (refer note 46 (iv))	-	-	-	-	-	308	-	-	-	-	-	308
Utilisation from Special Economic Zone re-investment reserve	-	-	-	-	-	-	(54)	54	-	-	-	-
Transferred to Special Economic Zone re-investment reserve	-	-	-	-	-	-	296	(296)	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	15,706	-	-	-	15,706
Other comprehensive income for the year	-	-	-	-	-	-	-	-	(176)	225	(3,415)	(3,366)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15,706**	**(176)**	**225**	**(3,415)**	**12,340**
Balance at 31 March 2020	**-**	**1**	**872**	**336**	**1,570**	**730**	**296**	**124,891**	**(127)**	**(10)**	**(3,371)**	**125,188**

Nature and purpose of reserves

1 **Capital reserve**
Capital reserve represents the profit/(loss) on amalgamation of subsidiary companies.

2 **Building revaluation reserve**
Building revaluation reserve represents gains arising on the revaluation of land and building on 1 January 1995.

3 **Securities premium**
Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.

4 **Capital redemption reserve**
As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilized in accordance with the provisions of Section 69 of the Companies Act, 2013.

5 **General reserve**
General reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes.

6 **Employees Stock Option reserve**
Capgemini SE, the ultimate parent company allocated performance shares of the group company to certain employees of the Company. The grant of such performance and employment linked shares relate to the share capital of the group company and has no impact on the Company's share capital. The Company determines the compensation cost based on grant date fair value method. This amount is recognised in employee benefits expense in the Statement of Profit and Loss on a straight line basis over the vesting period, with a corresponding adjustment to Employee stock option reserve for employee subscription plan (refer note 46(iii)).

7 **Special Economic Zone re-investment reserve**
The Special Economic Zone re-investment reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Sec 10AA(1)(ii) of Income-tax Act,1961. The reserve will be utilised by the Company for acquiring new plant and machinery for the purpose of its business in the terms of the Sec 10AA(2) of the Income-tax Act, 1961.

8 **Retained earnings**
Retained earnings is the amount of net income retained by the Company after it has paid out dividends to its shareholders.

9 **Effective portion of cash flow hedges**
The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to Statement of Profit and Loss in the period in which the hedged transaction occurs.

10 **Exchange differences on translation of foreign operations**
This reserve represents the exchange differences arising from the translation of financial statements of foreign branches with functional currency other than Indian rupees to reporting currency.

11 **Remeasurements of the defined benefit plans**
Remeasurements of the defined benefit plans comprises of actuarial gains and losses on calculation of defined benefit obligations and differences between the fair value of plan assets, return on plan assets and actual interest income on plan assets. These remeasurements are recognised in other comprehensive income and will not be reclassified to Statement of Profit and Loss.

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Capgemini Technology Services India Limited
CIN-U85110PN1993PLC145950

Vijay Mathur
Partner

Membership No: 046476

Srinivasa Rao Kandula
Wholetime Director & Chairman

DIN: 07412426
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Wholetime Director & Chief Executive Officer
DIN: 07799277
Place : Mumbai

Armin Billimoria
Company Secretary
FCS - 8637
Place : Mumbai
Date : 27 July 2020

Sujit Sircar
Chief Financial Officer
Place : Bengaluru

Place : Mumbai
Date : 27 July 2020

Notes to the financial statements for the year ended 31 March 2020

(Currency : INR in million)

1 Corporate overview

Capgemini Technology Services India Limited ("the Company" or "CTSIL") is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is primarily engaged in providing Information Technology ("IT") and IT - enabled operations offshore outsourcing solutions and BPO (business process outsourcing) services to large and medium-sized organizations using an offshore/onsite model. The Company has its branches and subsidiaries in India and Malaysia. IT services and IT-enabled operations offshore outsourcing solutions are delivered using the offshore centres located in Bangalore, Hyderabad, Chennai, Noida, Mumbai, Pune, Kolkata, Trichy, Salem and Gandhinagar in India.

2 Significant accounting policies

a) Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 ("the Act") and other relevant provisions of the Act read with the Companies (Indian Accounting Standards) Rules as amended from time to time. These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Scheme of Amalgamation of TCube Software Solutions Private Limited ('TCube') with the Company was approved by the National Company Law Tribunal, Mumbai (NCLT) on 22 October 2019 with effect from 1 April 2018 (appointed date). These financial statements include the impact of the aforementioned Scheme of Amalgamation as further explained in note 36 of the financial statements in the numbers reported for the year ended 31 March 2019.

b) Functional currency and presentation currency

These financial statements are prepared in Indian Rupees (INR) which is also the Company's functional currency. All amounts included in the financial statements are reported in millions of Indian rupees (INR in million) except share and per share data, unless otherwise stated.

c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Examples of such estimates include estimates of contract costs to be incurred to complete software development project, provision for taxes, employee benefit plans, provision for doubtful debts and advances and estimated useful life of property, plant and equipment. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. The use of the percentage-of-completion method requires the Company to estimate the costs expended to date as a proportion of the total costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Taxes

The Company provides for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any. The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized. MAT (Minimum Alternate Tax) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and is included in deferred tax assets. The Company reviews the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will be able to absorb such credit during the specified period.

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

Business combination

In accounting for business combinations, judgement is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets acquired (including useful life estimates), liabilities acquired and contingent consideration assumed involves management judgement. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgements, estimates, and assumptions can materially affect the results of operations.

Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Allowance for trade receivables

The Company follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables (including lease receivables). For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

Useful life of property, plant and equipment

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Provisions and contingent liabilities

Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates

d) Business combinations

Business combinations (other than common control business combinations) on or after 1 April 2015

As part of its transition to Ind AS, the Company has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, to only those business combinations that occurred on or after 1 April 2015. In accordance with Ind AS 103, the Company accounts for these business combinations using the acquisition method when control is transferred to the Company. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the Statement of Profit and Loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the Statement of Profit and Loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. The determination of the amount to be included in consideration transferred is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the Statement of Profit and Loss or OCI, as appropriate.

Common control business combinations on or after 1 April 2015

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the standalone financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve. In the absence of the capital reserve, consideration in excess of carrying value of the net assets (including the reserves) taken over is adjusted to the Retained earnings.

Business combinations prior to 1 April 2015

In respect of such business combinations, goodwill represents the amount recognised under the Company's previous accounting framework under previous GAAP adjusted for the reclassification of certain intangibles.

e) Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realised within 12 months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

a. it is expected to be settled in the company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within 12 months after the reporting date; or

d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents, generally twelve month is considered as operating cycle.

f) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, including import duties and other non-refundable taxes or levies and directly attributable costs of bringing the asset to its working condition for the intended use and estimated costs of dismantling the assets at the site at which it is located. Trade discounts and rebates, if any, are deducted while computing the cost.

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

Property, plant and equipment acquired wholly or partly with specific grant / subsidy from government are recorded at the fair value as on the agreement date.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repairs and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses arising from disposal of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is disposed.

Assets that will be recovered primarily through sale rather than through continuing use are classified as held for sale.

g) Capital work in progress:

The cost of property, plant and equipment not ready for use before the balance sheet date is disclosed as capital work-in-progress. Advances paid towards the acquisition of property, plant and equipment outstanding as at balance sheet date is disclosed under other non-current assets.

h) Depreciation on property, plant and equipment

The Company has provided for depreciation using straight line method over the useful life of the assets as estimated by management. Pursuant to a change in business strategy and macro-economic conditions, the Company had revised its estimate of useful life for fixed assets with effect from 1 January 2016 other than assets acquired by the Company pursuant to amalgamation. The revised useful lives are applicable for assets capitalised on or after 1 January 2016.

Gross block	Assets capitalised on or before 31 December 2015	Assets capitalised post 1 January 2016
Leasehold Land	Over the lease period	Over the lease period
Buildings*	25-40 years	30 years
Leasehold Improvements	Lower of lease period or primary lease period	Lower of lease period or 6 years
Computers*	3 years	3-5 years
Furniture and fixtures*	5 years	7 years
Office equipment	5 years	7-15 years
Vehicles*	4-5 years	5 years

Assets acquired by the Company pursuant to amalgamation of Capgemini India Private Limited have useful lives as below -

Gross block	Useful life
Leasehold Land	Over the lease period
Buildings*	30 years
Leasehold Improvements	Lower of lease period or 6 years
Computers*	3-5 years
Furniture and fixtures*	7 years
Office equipment	7 years
Vehicles*	5 years

* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

Depreciation is charged on a proportionate basis from or up to the date the assets are purchased or sold during the year.

Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and shown under 'Other current assets'. A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Losses arising from retirement or gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

i) Intangible assets

(i) Goodwill

Goodwill that arises on an amalgamation or on acquisition of a business is presented as an intangible asset. Goodwill arising on amalgamation is measured at cost less accumulated amortisation and any accumulated impairment loss. Such goodwill is amortised over its estimated useful life or five years whichever is shorter. Goodwill is tested for impairment annually.

(ii) Acquired intangible assets

Intangible assets acquired separately are initially recognized at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line basis over the estimated useful economic life and are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

Computer software held for use for business purpose is amortised over an estimated useful life of 3 - 5 years or the period of licenses, whichever is lower.

j) Leases

The Company adopted Ind AS 116 with effect from 1 April 2019. In accordance with Ind AS 116, at the inception of a contract, the Company assesses whether the contract is or contains a lease. The Company determines that a contract is or contains a lease if the contract conveys right to control the use of an identified asset for a period of time in exchange for a consideration. Further, the lease arrangement is determined to be an operating lease or a finance lease at the inception of the lease based on the substance of the arrangement.

The Company recognises lease liability at the present value of the future lease payments for non-cancellable period of a lease which is not short term in nature, except for lease of low value items. The future lease payments for such non-cancellable period is discounted using the Company's incremental borrowing rate. Lease payments include fixed payments, in substance fixed payments, variable lease payments, amounts expected to be payable by the Company under residual value guarantee, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease if the lease term considered reflects that the Company shall exercise termination option. The Company also recognises a right-of-use asset which comprises of amount of initial measurement of the lease liability, any initial direct cost incurred by the Company and estimated costs to dismantle or remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payment, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease lability is remeasured in this way, a corresponding adjustment is made to carrying amount of the right-of-use asset, or is recorded in the Statement of Profit and Loss if the carrying value of the right-of-use asset has been reduced to zero.

Right-of-use assets is amortised over the lease term. Subsequently, right-of-use assets are measured at their inception value less amortisation and impairment if any.

The Company presents right-of-use assets under 'Right-of-use assets' and lease liabilities in 'Financial liabilities' in the Balance sheet.

k) Impairment of property, plant and equipment

Property, plant and equipment which are not yet available for use are tested for impairment annually. Other Property, plant and equipment (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangibles mandatorily tested annually for impairment, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill is

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

allocated to CGUs only when the allocation can be done on a reasonable and consistent basis. If this requirement is not met for a specific CGU under review, the smallest CGU to which the carrying amount of goodwill can be allocated on a reasonable and consistent basis is identified and the impairment testing carried out at that level.

The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognized in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is recognised in the revaluation reserve.

l) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current/non-current classification scheme of Schedule III of the Act.

Long term investments are stated at cost less other than temporary decline in the value of such investments, determined separately for each individual investment.

Current investments are carried in financial statements at lower of cost and fair value determined by category of investment. The fair value is determined using quoted market price/market observable information adjusted for cost of disposal. The comparison of cost and fair value is done separately for each individual investment.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

On disposal of the investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

m) Revenue recognition

The Company primarily derives revenue from rendering IT, IT related services and business process outsourcing services.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. The method for recognizing revenue depends on the nature of the services rendered:

(i) Time and material contracts

Revenue from time and material contracts is recognized over the time as the related services are rendered. Revenue from these contracts are measured based on the number of hours spent on the contract.

(ii) Fixed price contracts

Revenue from fixed-price development contracts is recognized using the percentage of completion method, under which the contract performance is determined by relating the actual costs incurred to date to the estimated total costs for each contract. The cost incurred (or input) method is used to measure progress as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to eliminate the total contract revenue and costs, revenue is recognized only to the extent contract costs incurred, for which recoverability is probable. The related costs on deliverable- based contracts are expensed as incurred. The Company earns contractually the right to bill upon achievement of specified milestones or upon customer acceptance of work performed. The difference between cumulative billings and cumulative revenue recognised is reflected in the balance sheet as contract assets or contract liabilities.

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

(iii) Fixed price maintenance contracts

Revenue on services-based contracts is recognised based on time elapsed mode and revenue is straight lined over the period of performance. Recurring services are generally considered to be one single performance obligation, comprised of a series of distinct daily units of service satisfied over time.

(iv) Others

- As part of its operational activities, the Company may be required to resell hardware, software and services purchased from third-party suppliers to its customers. The Company acts as a "principal" when it obtains control of the hardware, software or services before transferring them to the customer. In such case, the transaction is presented on a gross basis in the Statement of Profit and Loss. If the Company acts as an "agent", the transaction is presented on a net basis in the Statement of Profit and Loss. For example, transactions are recorded on a net basis when the Company does not have the primary responsibility for the fulfilment of the contract and does not bear inventory and customer acceptance risk.
- Revenue from services rendered to parent company, ultimate parent company and fellow subsidiaries is recognized on cost plus mark-up basis determined on arm's length principle as and when the related services are rendered.
- Revenue on multi-deliverable contracts is recognised applying the appropriate method as specified above, depending on the performance obligations identified.
- Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established and there is no uncertainty in receiving the same.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Costs to obtain and fulfill contracts:

Sales commission incurred to obtain multi-year service contracts are capitalized and amortized over the contract period. Commissions are not capitalized if the amortisation period is one year or less.

Costs incurred prior to the signature of an enforceable contract are capitalized only if they are directly attributable to the design or set- up phase of a specifically identified contract, if the signature of the contract is probable, and if the costs are expected to be recoverable from the contract.

Costs incurred to fulfill a contract are expensed as incurred, with the exception of certain initial set- up costs, such as transition and transformation costs that do not represent a separate performance obligation.

Reimbursements received from customers are recognised as revenue, as costs are incurred.

A provision for onerous contracts is recorded if the unavoidable costs of fulfilling the contract exceed the related benefits.

Critical Judgements

- The Company's contracts with customers may include promises to transfer multiple products and services to a customer. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- When multiple Performance Obligations are identified within a single contract, the Company allocates the total contract price to the Performance Obligations based on their relative Standalone Selling Price ("SSP"). In the absence of directly observable prices for similar services sold separately to similar customers, SSPs are estimated, based on expected costs plus a margin rate commensurate with the nature and risk of the service. Further, the Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.
- Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of the completion of the performance obligation.
- Contract fulfilment costs are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

Contract Assets and Liabilities

Contract assets are presented separately from trade receivables. Contract assets reflect revenue recognized for which the corresponding rights to receive consideration are contingent upon something else other than the passage of time, such as the Company's future performance, achievement of billing milestones, or customer acceptance. Accordingly, contract assets (unbilled revenue) is disclosed under other current assets. When customer contract assets are no longer contingent, except for the passage of time, they convert into trade receivables.

Contract liabilities represent consideration received or receivable in advance of performance or billing in excess of revenue. Contract assets and liabilities are presented on a net basis for each individual contract.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

Recognition of dividend income, interest income or expense

Dividend income is recognized in the Statement of Profit and Loss on the date on which the Company's right to receive payment is established. Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied on time proportion basis to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

n) Foreign currency transactions and balances

i) Initial recognition

The Company is exposed to foreign currency transactions including foreign currency revenues, receivables, expenses, payables. Foreign exchange transactions during the year are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss for the year.

ii) Translation

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the Statement of Profit and Loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI); and
- qualifying cash flow hedges to the extent that the hedges are effective.

iii) Translation of foreign operations

The assets and liabilities of foreign operations (branches) are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

When a foreign operation is disposed of in its entirety or partially, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to the Statement of Profit and Loss as part of the gain or loss on disposal.

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

o) Employee benefits

i) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Accumulated leave, which is expected to be utilised within the next twelve months, is also treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. These amounts are charged to the Statement of Profit and Loss.

ii) Post-employment benefits

(a) Provident fund

Until the year ended 31 March 2018, employee benefits in respect of provident fund, except as stated below, were a defined contribution plan.

The provident fund plan is a post-employment benefit plan under which the Company pays specified monthly contributions to a separate Trust. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Additionally, under the plan described above, the Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the interest rate prescribed by the Government every year to be paid on the accumulated contributions. The Company measures this liability for any interest rate shortfall through actuarial valuation as a defined benefit obligation.

Due to certain developments in previous year and subsequently, certain of the private sector investment securities held by the Trust were considered to be potentially doubtful of recovery. Since the matter as to whether the Company is obligated to make good the loss is a matter of legal interpretation, the Company obtained a legal opinion from an independent legal counsel. Based on the legal opinion, the Company considers the provident fund plan as a defined benefit plan. The liability, accordingly, is now being determined actuarially.

(b) Provident fund

In respect of certain other employees of the Company, monthly provident fund contributions are remitted to the Regional Provident Fund Commissioner, a Government authority. The Company has no further obligation to contribute other than the monthly contributions and, therefore, the plan is accounted as defined contribution plan.

(c) Defined benefit plan - Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Such net obligation is recognized either as an asset or as a liability in the balance sheet. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by a qualified actuary using the Projected Unit Credit Method.

The present value of the obligation under such benefit plan is determined based on an actuarial valuation using the Projected Unit Credit Method which recognizes each period of service that gives rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured using the Projected Unit Credit Method. The discounted rates used for determining the present value are based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized in other comprehensive income, net of taxes, for the period in which they occur. All expenses related to defined benefit plan is recognised in employee benefits expense in the Statement of Profit and Loss. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring cost or termination benefits. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

(d) Defined benefit plan - Pension

The Company provides for superannuation scheme which is applicable to certain eligible employees. The plan provides lump sum payment based on a vesting period. The Company's liability is actuarially determined using Projected Unit Cost method at the end of each year. Actuarial gains and losses are recognized in other comprehensive income, net of taxes, for the period in which they occur.

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

(e) *Compensated absences*

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The obligation in respect of compensated absences is provided on the basis of an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan is based on the market yields as at the balance sheet date on Government securities, having maturity periods approximating to the terms of the related obligations. Actuarial gains and losses are recognized in other comprehensive income, net of taxes, for the period in which they occur. To the extent the Company does not have an unconditional right to defer the utilization or encashment of the accumulated compensated absences, the liability determined based on actuarial valuation is considered to be a current liability.

p) Employee stock compensation

Employees of erstwhile IGATE Global Solutions Limited

Pursuant to the acquisition of IGATE Corporation by Capgemini SE, the ultimate holding company with effect from 1 July 2015, the employees of erstwhile IGSL are entitled to participate in share based awards issued by Capgemini SE. Although the share based awards are issued and administered by Capgemini SE, the Company is required to settle the obligation to the employee directly in cash. Such expenses are accounted for as part of employee benefit expense and the amounts payable to employees are disclosed under 'other current liabilities'.

Employees of the Company

Capgemini SE, the ultimate parent company has also allocated performance shares of the group company to the employees of the Company. The grant of the such performance and employment linked shares relate to the share capital of the group company and has no impact on the Company's share capital.

Upon vesting of these shares, the ultimate parent company may recharge the cost of acquisition of these shares to the Company. Also, the employees have a choice to opt for cash settlement instead of shares.

The Company recognises such compensation costs based on liability method. Such stock based awards' compensation expenses is recognised in "Employee benefits expense" in the Statement of Profit and Loss on a straight-line basis over the vesting period with a corresponding credit to current / non-current financial liabilities.

q) Income taxes

Income tax comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

r) Earnings per share

Basic earnings per share is computed by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, amalgamations, bonus element in a rights issue, buyback, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of equity shares considered to derive the basic EPS, and also the weighted average number of equity shares that could have been issued on conversion of all the dilutive potential equity shares which are deemed converted at the beginning of reporting period, unless issued at a later date.

s) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Onerous Contracts

A contract is considered as onerous when the expected economic benefits to be derived by the company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

t) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

u) Statement of Cash Flows

Cash flows are reported using the indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

v) Financial instruments

i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the Statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the Statement of Profit and Loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the Statement of Profit and Loss.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v) Derivative instruments and hedge accounting

The Company uses derivative financial instruments (foreign currency forward and option contracts) to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions.

The use of foreign currency forward contracts and options are governed by the Company's policies, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes. The Company enters into derivatives instruments where the counter party is primarily a bank.

Cash Flow Hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss.

The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised separately within equity. For hedged forecast transactions, the amount accumulated in other equity is reclassified to the Statement of Profit and Loss in the same period or periods during which the hedged expected future cash flows affect profit or loss. If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, it is reclassified to the Statement of Profit and Loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the Statement of Profit and Loss.

w) Impairment

i) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at FVOCI- debt investments.

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 90 days or more past due.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet -

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets

For debt securities at FVOCI, the loss allowance is charged to the Statement of Profit and Loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

ii) Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment. For impairment testing, assets that do not generate independent cash inflows are combined together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

3 Property, plant and equipment

	Freehold land (refer note b)	Leasehold land (refer note b)	Buildings (refer note b)	Computers	Office equipment	Furniture and fixtures	Leasehold improvements	Vehicles (refer note a)	Total
Gross block									
Balance as at 1 April 2018	269	1,606	13,702	11,100	9,143	6,247	4,264	206	46,537
Effect of amalgamation of TCube Software Solutions Private Limited (refer note 36)	-	2	1	20	5	6	-	-	34
Additions	-	2	4,750	2,238	2,715	1,438	436	2	11,581
Disposals	-	-	-	(1,056)	(544)	(256)	(1,335)	(52)	(3,243)
At 31 March 2019	269	1,610	18,453	12,302	11,319	7,435	3,365	156	54,909
Transferred to right-of-use assets	-	(1,610)	-	-	-	-	-	(45)	(1,655)
Additions	-	-	1,229	1,959	1,379	914	509	-	5,990
Disposals	-	-	-	(1,088)	(226)	(157)	(398)	(2)	(1,871)
At 31 March 2020	**269**	**-**	**19,682**	**13,173**	**12,472**	**8,192**	**3,476**	**109**	**57,373**
Accumulated depreciation									
Balance as at 1 April 2018	-	(146)	(2,830)	(8,874)	(6,882)	(4,541)	(3,249)	(134)	(26,656)
Effect of amalgamation of TCube Software Solutions Private Limited (refer note 36)	-	-	(1)	(10)	(1)	(2)	-	-	(14)
Charge for the year	-	(19)	(502)	(1,627)	(1,225)	(422)	(336)	(34)	(4,165)
Disposals	-	-	-	1,055	511	222	1,255	42	3,085
At 31 March 2019	**-**	**(165)**	**(3,333)**	**(9,456)**	**(7,597)**	**(4,743)**	**(2,330)**	**(126)**	**27,750)**
Transferred to right-of-use assets	-	165	-	-	-	-	-	30	195
Charge for the year	-	-	(595)	(1,847)	(1,195)	(504)	(386)	(10)	(4,537)
Disposals	-	-	-	1,058	207	142	353	2	1,762
At 31 March 2020	**-**	**-**	**(3,928)**	**(10,245)**	**(8,585)**	**(5,105)**	**(2,363)**	**(104)**	**(30,330)**
Net block									
At 31 March 2019	269	1,445	15,120	2,846	3,722	2,692	1,035	30	27,159
At 31 March 2020	**269**	**-**	**15,754**	**2,928**	**3,887**	**3,087**	**1,113**	**5**	**27,043**

a) Details of assets taken on finance lease included in the table above

	Vehicles As at 31 March 2019
Gross block	
Opening balance	79
Disposals	(34)
Closing balance	45
Accumulated depreciation	
Opening balance	(45)
Charge for the year	(15)
Disposals	30
Closing balance	(30)
Net block	15

b) Freehold land, leasehold land and buildings of gross block Rs. 2,734 (31 March 2019 : Rs. 2,912) and accumulated depreciation amounting to Rs. 1,024 (31 March 2019 : 955) is pending registration in the name of the Company pursuant to merger of Capgemini India Private Limited with the Company.

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

4 Right-of-use assets

Carrying value of right-of-use assets at the end of the reporting period by class

	Leasehold land (refer note a)	Building	Computer Equipment	Vehicles	Total
Gross Block					
Balance as at 1 April 2019	-	-	-	-	-
Addition on account of transition to Ind AS 116	1,445	8,028	48	31	9,552
Additions	-	1,978	-	5	1,983
Disposals / termination	-	(386)	-	(19)	(405)
At 31 March 2020	**1,445**	**9,620**	**48**	**17**	**11,130**
Accumulated depreciation					
Balance as at 1 April 2019	-	-	-	-	-
Charge for the year	(17)	(1,926)	(30)	(18)	(1,991)
Disposals / termination	-	70	-	17	87
At 31 March 2020	**(17)**	**(1,856)**	**(30)**	**(1)**	**(1,904)**
Net Block					
At 1 April 2019	-	-	-	-	-
At 31 March 2020	**1,428**	**7,764**	**18**	**16**	**9,226**

a) Leasehold land of gross block Rs. 178 and accumulated depreciation amounting to Rs. 17 is pending registration in the name of the Company pursuant to merger of Capgemini India Private Limited with the Company.

Amounts recognised in Statement of Profit and Loss

Particulars	2019-20
Gain on lease modifications	42
Amortisation of right-of-use assets	1,991
Interest on lease liabilities	631

Amounts recognised in Statement of Profit and Loss

Particulars	2019-20
Interest on lease obligations	(631)
Payment of lease liabilities	(1,674)

Transition to Ind AS 116:

The Company adopted Ind AS 116 with effect from 1 April 2019 and applied the standard to its leases, using the modified retrospective approach, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1 April 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019.

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right-of-use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Company has used a single discount rate to a portfolio of leases with similar characteristics. The Company has elected not to separate lease and non - lease components for certain categories of underlying asset (notably the vehicle fleet) and to recognize the entire contract as a single lease component.

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous financial years to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities.

The Company recognised Rs. 8,092 as right-of-use assets and Rs. 8,612 as lease liability in the balance sheet on the date of transition i.e. 1 April 2019. The cumulative effect on transition in retained earnings is Rs. 51.

The weighted average incremental borrowing rate of 8.61% have been applied to lease liabilities recognised in the balance sheet at the date of initial application.

Finance Lease:

The Company has leases that were classified as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of Ind AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying Ind AS 17. Accordingly, an amount of Rs. 1,460 has been reclassified from property, plant and equipment to right-of-use assets. An amount of Rs. 7 has been reclassified from other current financial liabilities to lease liability current and an amount of Rs. 10 has been reclassified from other non-current financial liabilities to lease liability – non-current.

The reconciliation of the Company's commitment towards all its future minimum rental payments under non cancellable operating leases as at 31 March 2019 and lease liability recognized as per Ind AS 116 as at 1 April 2019 is as follows:

Particulars	Amount
Lease commitments as at 31 March 2019	13,398
Exclusion of non lease components	(2,223)
Others	65
Discounting impact	(2,628)
Lease liabilities as on 1 April 2019	8,612
Reclassification of present value of finance lease liabilities at 31 March 2019	17
Lease liabilities as on 1 April 2019	8,629

The first-time application of Ind AS 116 therefore had the following impacts at 1 April 2019 :

Particulars	Amount
Increase in lease liability by	8,612
Increase in rights of use assets by	8,092
Decrease in CWIP	44
Decrease in lease equalisation reserve	555
Increase in retained earnings	51
Increase in deferred tax assets by	60

Impact of COVID-19

The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as delivery centers / sales offices are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

5 Capital work-in-progress

At 1 April 2018	7,180
Additions	7,182
Capitalisation	(11,813)
At 31 March 2019	2,549
Transferred to right-of-use assets	(44)
Additions	4,204
Capitalisation	(6,043)
At 31 March 2020	**666**

6 Intangible assets

	Goodwill	Computer software	Total
Gross block			
Balance as at 1 April 2018	106	2,984	3,090
Effect of amalgamation of TCube Software Solutions Private Limited (refer note 36)	-	9	9
Additions	-	232	232
Disposals	-	(105)	(105)
At 31 March 2019	106	3,120	3,226
Additions	-	53	53
Disposals	-	(36)	(36)
At 31 March 2020	**106**	**3,137**	**3,243**
Amortisation			
Balance as at 1 April 2018	(106)	(2,657)	(2,763)
Effect of amalgamation of TCube Software Solutions Private Limited (refer note 36)	-	(8)	(8)
Charge for the year	-	(236)	(236)
Disposals	-	105	105
At 31 March 2019	(106)	(2,796)	(2,902)
Charge for the year	-	(197)	(197)
Disposals	-	8	8
At 31 March 2020	**(106)**	**(2,985)**	**(3,091)**
Net block			
At 31 March 2019	-	324	324
At 31 March 2020	**-**	**152**	**152**

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

			31 March 2020	31 March 2019
7	**Investments**			
		Non-current		
		Investment carried at cost		
		Unquoted equity instruments		
		Investment in shares of bank		
	a)	The Saraswat Co-operative Bank Limited *	**-**	-
		1,530 (31 March 2019: 1,530) shares of Rs.10 each fully paid up		
	b)	The Kapol Co-operative Bank Limited*	**-**	-
		10 (31 March 2019: 10) shares of Rs.10 each fully paid up		
		Investment in equity of subsidiaries		
		IGATE Infrastructure Management Services Limited	**24**	24
		[2,857,877 equity shares of Rs. 10 each fully paid-up (31 March 2019 - 2,857,877)]		
		Liquidhub Analytics Private Limited	**2,299**	-
		[37,345,685 equity shares of Re. 1 each fully paid-up (31 March 2019 - Nil)]		
		Liquidhub India Private Limited	**1,815**	-
		[10,000 equity shares of Rs. 10 each fully paid-up (31 March 2019 - Nil)]		
			4,138	24

* the amount is below the rounding off limit in million

(i) The Company acquired 37,345,685 shares in Liquidhub Analytics Private Limited as per agreement dated 25 November 2019 at Rs. 61.56 per share on 2 December 2019.

(ii) The Company acquired 10,000 shares in Liquidhub India Private Limited as per agreement dated 28 November 2019 at Rs. 181,540.89 per share on 6 December 2019.

		31 March 2020	31 March 2019
8	**Loans**		
	Non-current		
	Unsecured, considered good		
	Loans to related parties (refer note 39)	**113**	105
9	**Other financial assets**		
	Non-current		
	Unsecured, considered good		
	Security deposits	**1,362**	1,178
	Unsecured, considered doubtful		
	Security deposits	**31**	31
	- Less: Provision for doubtful deposits	**(31)**	(31)
		1,362	1,178

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

		31 March 2020	31 March 2019
10	**Deferred tax assets (net)**		
	Deferred tax liabilities		
	Cash flow hedges	**-**	28
	Others	**215**	140
		215	168
	Deferred tax assets		
	Cash flow hedges	**67**	-
	Property, plant and equipment and intangible assets	**3,708**	5,446
	Provisions - employee benefits	**3,154**	2,401
	Provision for doubtful trade receivables	**254**	240
	Merger expenses	**43**	159
	MAT credit carried forward	**5,070**	6,640
		12,296	14,886
	Net deferred tax asset (refer note 35(e))	**12,081**	14,718
11	**Other non-current assets**		
	Capital advances	**24**	200
	Prepaid expenses	**442**	541
	Prepayment of pension liability	**21**	21
	Balances with statutory/government authorities (VAT/ Service tax credit receivable)	**779**	599
	Deferred contract costs	**85**	-
		1,351	1,361
12	**Investments**		
	Current		
	Investment carried at Fair Value Through Profit and Loss Mutual Funds (quoted)		
	719,529 (31 March 2019 - 925,921) units in Axis Liquid fund direct plan growth	**1,586**	1,920
	634,512 (31 March 2019 - 1,233,450) units in Invesco Liquid Fund - Direct Plan Growth	**1,731**	3,173
	530,290 (31 March 2019 - 977,094) units in HDFC Liquid Fund Direct Plan Growth Option	**2,072**	3,594
	1,545,593 (31 March 2019 - 686,511) units in IDFC Cash Fund -Regular Plan-Growth Direct Plan	**3,712**	1,556
	61,636,075 (31 March 2019 - 44,221,753) units in IDFC Low Duration Fund Growth - Direct Plan	**1,781**	1,183
	6,353,105 (31 March 2019 - 5,313,217) units in ICICI Prudential Saving Fund- Direct Plan - Growth	**2,480**	1,919
	8,190,760 (31 March 2019 - 9,910,430) units in ICICI Prudential Liquid - Regular Plan - Growth Direct Plan	**2,406**	2,739
	Nil (31 March 2019 - 3,575,862) units in Aditya Birla Sun Life Savings Fund-Growth - Direct plan	**-**	1,329
	11,786,425 (31 March 2019 - 16,727,800) units in Aditya Birla Sun Life Liquid Fund-Growth - Direct Plan (formerly Aditya Birla Sun Life Cash Plus - Growth Direct Plan)	**3,766**	5,026
	860,907 (31 March 2019 - 736,807) units in Tata Liquid Fund Direct Plan Growth	**2,696**	2,169
	Nil (31 March 2019 - 131,507) units in Kotak Low Duration Fund Direct Growth	**-**	313
	52,245,265(31 March 2019 - 67,920,312) units in Kotak Savings Fund-Growth - Direct (formerly Kotak Treasury Advantage Direct Plan Growth)	**1,716**	2,075
	728,941 (31 March 2019 - 548,085) units in HSBC Cash Fund Growth Direct Plan	**1,441**	1,020
	19,209,449 (31 March 2019 - 19,209,449) units in HDFC Floating Rate Debt Fund - Direct Plan-Growth Plan	**680**	628

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

	31 March 2020	31 March 2019
476,169 (31 March 2019 - 315,830) units in Axis Treasury Advantage Fund - Direct Growth	**1,107**	678
18,421,946 (31 March 2019 - 5,983,735) units in ICICI Prudential Money Market Fund - Direct Plan - Growth	**5,145**	1,557
315,355 (31 March 2019 - 705,704) units in Kotak Liquid Direct Plan Growth	**1,266**	2,671
4,639,520 (31 March 2019 - 3,629,180) units in Aditya Birla Sun Life Floating Rate Fund - Growth-Direct Plan	**1,171**	913
1,277,720 (31 March 2019 - 191,051) units in Kotak Money Market Scheme - Growth	**4,233**	590
158,573,449 (31 March 2019 - Nil) units in IDFC Corporate Bond Fund Direct Plan- Growth	**2,214**	-
71,138 (31 March 2019 - Nil) units in SBI Magnum Ultra Short Duration Fund Direct Growth	**319**	-
211,828 (31 March 2019 - Nil) units in Invesco India Treasury Advantage Fund - Direct Plan Growth	**606**	-
1,177,450 (31 March 2019 - Nil) units in Aditya Birla Sun Life Savings Fund-Growth - Direct Plan	**472**	-
210,323,525 (31 March 2019 - Nil) units in HDFC Ultra Short Term Fund Direct Growth	**2,368**	-
73,950,674 (31 March 2019 - Nil) units in IDFC Ultra Short Term Fund - Direct Plan - Growth	**844**	-
8,735,114 (31 March 2019 - Nil) units in Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan (formerly known as Aditya Birla Sun Life Floating Rate Fund Short Term Plan)	**2,367**	-
294,388 (31 March 2019 - Nil) units in Invesco India Money Market Fund - Direct Plan Growth	**681**	-
538,486 (31 March 2019 - Nil) units in Nippon India Liquidity Fund Direct Plan Growth Plan Growth Option	**2,612**	-
526,981 (31 March 2019 - Nil) units in SBI Liquid Fund Direct Growth	**1,639**	-
167,585 (31 March 2019 - Nil) units in DSP Liquidity Fund- Direct Plan Growth	**476**	-
Nil (31 March 2019 - 388,145) units in Reliance Low Duration Fund- Direct Plan Growth plan - Growth Option - LPAG (formerly Reliance Money Manager Fund- Direct Growth Plan)	**-**	1,024
Nil (31 March 2019 - 360,971) units in Reliance Liquidity Fund Direct Growth Plan Growth Option (formerly Reliance Liquidity Fund Treasury Plan Direct Growth Plan Growth Option)	**-**	1,647
Nil (31 March 2019 - 32,624,142) units in DSP Black Rock Low Duration Fund - Direct plan- Growth (formerly DSP Black Rock Ultra Short Term Fund Direct Plan Growth)	**-**	449
	53,587	38,173

13 Trade receivables (unsecured)

Trade receivables	**23,643**	22,145
Less: allowance for doubtful receivables	**500**	425
Considered good	**23,143**	21,720
Trade receivables	**203**	203
Less: allowance for doubtful receivables	**203**	203
Credit impaired	**-**	-
	23,143	21,720

In determining the allowance for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix.

Trade receivables includes :

Dues from related party (refer note 39)	**19,699**	17,663
Other receivables	**3,444**	4,057

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

		31 March 2020	31 March 2019
14	**Cash and cash equivalents**		
	Balance with banks :		
	In current accounts	**459**	600
	In EEFC accounts	**214**	493
	In deposits accounts*	**11,470**	14,935
	Remittances in transit	**532**	70
		12,675	16,098

*The deposits maintained by the Company with banks and financial institutions comprise of time deposits including deposits with maturities more than three months, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

		31 March 2020	31 March 2019
15	**Bank balances other than cash and cash equivalents**		
	Current		
	Balance with banks :		
	Held as margin money with custom authorities	**2**	2

Deposit accounts include restricted bank balances Rs. 1.57 held as margin money deposit against guarantee and Rs.0.1 held as margin money against Uttar Pradesh VAT.

		31 March 2020	31 March 2019
16	**Other financial assets**		
	Current		
	Unsecured, considered good		
	Derivative asset	**-**	102
	Security deposits	**482**	738
	Loans and advances to employees	**196**	345
	Interest accrued on fixed deposit	**309**	272
	Others	**493**	484
		1,480	1,941
17	**Other current assets**		
	Prepaid expenses	**1,215**	1,597
	Balances with Government authorities (GST credit receivable)	**1,429**	1,924
	Unbilled revenues	**5,608**	3,018
	Advance to vendors	**342**	113
	Other assets	**21**	-
		8,615	6,652

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

	31 March 2020	31 March 2019
18 Share capital		
Authorised:		
250,050,000 (31 March 2019 - 249,950,000) equity shares of Rs. 10 each (refer Note below)	**2,501**	2,500
10,800,000 (31 March 2019 - 10,800,000) compulsorily convertible preference shares ('CCPS') of Rs. 10 each	**108**	108
14,000,000 (31 March 2019 - 14,000,000) 5% 10 year redeemable non-cumulative preference shares of Rs. 10 each	**140**	140
Issued, subscribed and fully paid up:		
59,139,500 (31 March 2019 - 59,139,500) equity shares of Rs. 10 each	**591**	591

Note - The authorised equity share capital of the Company was increased to 250,050,000 equity shares of Rs. 10 each from 249,950,000 equity shares of Rs. 10 each pursuant to approval of the Scheme of Amalgamation of Tcube Software Solutions Private Limited vide order of National Company Law Tribunal, Mumbai bench dated 22 October 2019 from the effective date of order.

a. Reconciliation of shares outstanding at the beginning and at the end of the year:

	31 March 2020		31 March 2019	
	Number of shares	**Amount**	Number of shares	Amount
Balance as at the beginning of the year	**59,139,500**	**591**	59,139,500	591
Add: Issued during the year	**-**	**-**	-	-
Balance as at the end of the year	**59,139,500**	**591**	59,139,500	591

b. Right, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Each holder of equity shares is entitled to one vote per share. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. The Company declares and pays dividends in Indian rupees. Any dividends proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each shareholder.

c. Shares held by parent / ultimate parent company and its subsidiary

Out of total shares issued by the Company, shares held by the parent company, ultimate parent company and their subsidiaries are as below:

	31 March 2020		31 March 2019	
	Number of shares	**Amount**	Number of shares	Amount
Equity shares of Rs. 10 each, fully paid-up, held by				
Capgemini SE, ultimate parent company	**20,750,621**	**208**	7,090,662	71
Capgemini America Inc., subsidiary of Capgemini North America Inc.	**25,487,362**	**255**	25,487,362	255
PAN-Asia Solutions, Mauritius, subsidiary of Capgemini America Inc.	**-**	**-**	13,659,959	137
Capgemini North America Inc. subsidiary of ultimate parent company	**12,764,378**	**128**	12,764,378	128
Balance as at the end of the year	**59,002,361**	**591**	59,002,361	591

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

d. Details of shares held by shareholders holding more than 5% of aggregate shares in the Company

	31 March 2020		31 March 2019	
	Number of shares	**% of total shares in the class**	Number of shares	% of total shares in the class
Equity shares of Rs. 10 each, fully paid-up, held by				
Capgemini SE, ultimate parent company	**20,750,621**	**35.09%**	7,090,662	11.99%
Capgemini America Inc., subsidiary of Capgemini North America Inc.	**25,487,362**	**43.10%**	25,487,362	43.10%
PAN-Asia Solutions, Mauritius, subsidiary of Capgemini America Inc.	**-**	**-**	13,659,959	23.10%
Capgemini North America Inc. subsidiary of ultimate parent company	**12,764,378**	**21.58%**	12,764,378	21.58%

e. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	Number of shares
Equity shares of Rs. 10 each bought back by the Company (see note (i) below)	2,871,871
Equity shares of Rs. 10 each issued as consideration towards amalgamation of IGATE Information Services Private Limited (see note (ii) below)	566,758

Note:

(i) *Buyback*

On 16 June 2014, the Board of Directors approved a buyback proposal for purchase by the Company of up to 2,873,019 fully paid-up equity shares of face value of Rs.10 each (representing 9.8% of the total equity share capital) from the shareholders of the Company on a proportionate basis at a price of Rs. 2,261 per equity share for an aggregate amount not exceeding Rs. 6,496. Pursuant to the above, the Company bought back 2,871,871 equity shares and utilised Rs. 6,464 by utilising free reserves.

(ii) *Merger of IGATE Information Services Private Limited with the Company*

During the year ended 31 March 2015 erstwhile IGATE Information Services Private Limited was merged with the Company pursuant to which 566,758 equity shares of Rs.10 each of the Company were allotted to the shareholders of IGATE Information Service Private Limited as complete settlement of the purchase consideration.

	31 March 2020	31 March 2019
19 Lease liabilities		
Non-current		
Lease liabilities	**6,952**	-
20 Other non-current financial liabilities		
Long term maturities of finance lease obligations (refer note (i))	**-**	7
Amounts payable under employees stock option plan	**781**	850
	781	857

Note:

(i) Current maturities of long-term finance lease obligations have been disclosed under ‘other current financial liabilities’ (refer note 25). Lease obligations relate to vehicles purchased under a financing arrangement. The loans are secured by vehicles acquired under such lease arrangements and are repayable in monthly installments over a period of three to five years along with interest ranging from 12.5% to 13.5% p.a.(refer Note 40(a).

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

		31 March 2020	31 March 2019
21	**Provisions**		
	Non-current		
	Provision for employee benefits		
	Gratuity (refer note 37(a))	**3,125**	2,162
	Other defined benefit obligation (refer note 37 (c))	**4,475**	597
	Other provision		
	Provision for contingencies (refer note (a) below)	**396**	396
		7,996	3,155
(a)	**Movement in provision for contingencies**		
	Balance as at the beginning of the year	**396**	396
	Additions	**-**	-
	Balance as at the end of the year	**396**	396
	Current	**-**	-
	Non Current	**396**	396
		396	396

Provision for contingencies as at balance sheet date is on account of certain service tax related matters on input services amounting to Rs. 396 (31 March 2019 - Rs. 396).The provision is based on best estimate of the liability, as estimated by the Management and cash outflow if any, will depend on the ultimate outcome of the respective litigation.

		31 March 2020	31 March 2019
22	**Other non-current liabilities**		
	Lease equalisation reserve	**-**	491
23	**Trade and other payables**		
	Due to micro and small enterprises (refer note 45)	**17**	19
	Due to other than micro and small enterprises	**5,642**	7,824
		5,659	7,843
24	**Lease liabilities**		
	Current		
	Lease liabilities	**1,626**	-

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

		31 March 2020	31 March 2019
25	**Other financial liabilities**		
	Current		
	Current maturities of finance lease obligations (refer note 40 (a))	**-**	10
	Capital creditors and other payables	**841**	1,247
	Interest accrued under MSMED Act, 2006 (refer note 45)	**39**	36
	Payable for retention money	**414**	391
	Amounts payable under employees stock option plan	**497**	443
	Bonus and incentives	**1,268**	1,424
	Employees salaries payable	**678**	685
	Derivative liability	**243**	-
	Other financial liabilities	**276**	216
		4,256	4,452
26	**Other current liabilities**		
	Unearned revenue	**250**	180
	Lease equalisation reserve	**-**	93
	Book overdraft	**9**	-
	Statutory dues payable*	**3,233**	3,164
		3,492	3,437
	There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
	*Statutory dues payable comprises of -		
	Goods and Services Tax payable	**365**	501
	Tax Deducted at Source payable	**2,149**	2,027
	Provident Fund payable	**692**	599
	Profession Tax payable	**18**	18
	Employees State Insurance payable	**9**	19
		3,233	3,164
27	**Provisions**		
	Current		
	Provision for employee benefits		-
	Compensated absences (refer note 37(d))	**5,188**	4,422
	Other defined benefit obligation (refer note 37 (c))	**486**	6
		5,674	4,428

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

	31 March 2020	31 March 2019
28 Revenue from operations		
Revenue from software operations	**147,327**	136,030

Revenue from software services includes Rs. 8,710 (previous year Rs. 8,982) towards out of pocket expenses reimbursed by the customers.

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by contract type and geography :

	31 March 2020	31 March 2019
Revenue by contract type :		
Time & material contracts	**143,128**	131,378
Fixed price contracts	**3,779**	4,355
Fixed price maintenance contracts	**420**	297
Total	**147,327**	136,030
Revenue by geography:		
America	**60,935**	55,615
Europe	**61,724**	57,767
India	**17,220**	16,072
Rest of the world	**7,448**	6,576
Total	**147,327**	136,030
Reconciliation of revenue recognized with the contracted price is as follows :		
Contracted price	**147,519**	136,216
Discounts	**192**	186
Revenue recognised	**147,327**	136,030

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2020 is Rs 2,596 (31 March 2019 : Rs 2,284). Out of this, the Company expects to recognize revenue of around 87.7% (31 March 2019 : 83%) within the next one year and the remaining thereafter.

The Company has presented contract assets as "unbilled revenues" in other current assets and contract liabilities as "unearned revenues" in other current liabilities in the balance sheet.

	31 March 2020		31 March 2019	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Balances as at the end of the year	**5,608**	**(250)**	3,018	(180)

Changes in contract assets and liabilities in respective financial years are due to the following factors:

- timing differences between revenue recognition, billing and collection, leading to the recognition of trade receivables and contract assets;
- the receipt of advances from customers, leading to the recognition of contract liabilities (advances from customers and billed in advance).

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

		31 March 2020	31 March 2019
29	**Other income, net**		
	Interest on deposits with banks	**1,040**	349
	Other interest (including interest on income tax and service tax refunds)	**150**	9
	Income on mutual funds	**3,041**	3,342
	Provisions no longer required written back	**-**	112
	Provision for doubtful trade receivables written back	**-**	142
	Profit on sale / disposal of assets (net)	**78**	2
	Export incentives	**926**	312
	Other miscellaneous income	**468**	126
		5,703	4,394
30	**Employee benefits expense**		
	Salaries, bonus and incentives	**90,393**	81,953
	Contribution to provident and other funds	**4,071**	3,497
	Retirement benefits expense (refer note 37(a) & 37(b))	**1,280**	959
	Compensated absences	**1,534**	1,328
	Employee stock compensation expense (refer note 46)	**771**	998
	Staff welfare expenses	**828**	885
		98,877	89,620
31	**Finance costs**		
	Interest on lease obligations	**631**	13
	Interest under MSMED Act, 2006	**3**	4
	Interest on Tax	**81**	89
		715	106
32	**Depreciation and amortisation expenses**		
	Depreciation of property, plant and equipment (refer note 3)	**4,537**	4,165
	Amortisation of right-of-use assets (refer note 4)	**1,991**	-
	Amortisation of intangible assets (refer note 6)	**197**	236
		6,725	4,401

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

		31 March 2020	31 March 2019
33	**Other expenses**		
	Sub-contracting expenses	**2,221**	1,903
	Repairs and maintenance:		
	- Buildings	**805**	698
	- Computer and network maintenance	**665**	726
	- Office maintenance	**1,165**	1,177
	- Others	**97**	123
	Rent	**673**	2,987
	Rates and taxes	**509**	180
	Insurance	**58**	48
	Power and fuel	**1,180**	1,434
	Advertisement and sales promotion	**82**	72
	Communication	**782**	594
	Travelling and conveyance	**8,226**	8,700
	Legal and professional charges	**728**	672
	Bank charges	**41**	36
	Auditors' remuneration (refer note 44)	**22**	22
	Merger and reorganization expenses	**14**	53
	Expenditure towards corporate social responsibility initiatives (refer note 47)	**352**	187
	Software and hardware expenses	**1,865**	2,116
	Stationery and printing expenses	**62**	85
	Bad trade receivables written off	**45**	84
	Provision for doubtful trade receivables	**75**	-
	Group management fee	**1,105**	1,198
	Training and recruitment	**2,172**	1,927
	Directors sitting fees	**1**	1
	Net loss on foreign currency transactions	**38**	91
	Miscellaneous expenses	**572**	376
		23,555	25,490
34	**Statement of other comprehensive income**		
	(i) Items that will not be reclassified subsequently to Statement of Profit and Loss		
	Remeasurements of the defined benefit plans (net)	**(4,450)**	(1,346)
	Income tax relating to above item	**1,035**	506
	(ii) Items that will be reclassified subsequently to Statement of Profit and Loss		
	The effective portion of (loss)/gain on hedging instruments accounted for as cash flow hedges	**(271)**	72
	Income tax relating to above item	**95**	(25)
	Exchange differences on translation of foreign operations	**225**	(48)

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

		31 March 2020	31 March 2019
35	**Tax expense**		
(a)	**Income tax expense recognised in Statement of Profit and Loss:**		
	1. Current income tax	**5,141**	3,887
	2. Deferred income tax		
	Deferred tax	**2,311**	1,414
	MAT Credit	**-**	(236)
		2,311	1,178
	Tax expense for the year	**7,452**	5,065

(b) Income tax expense recognised in other comprehensive income:

	31 March 2020			31 March 2019		
	Before tax	**Tax (expense) / benefit**	**Net of tax**	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified subsequently to Statement of Profit and Loss						
Remeasurement (loss)/ gain on defined benefit plans	**(4,450)**	**1,035**	**(3,415)**	(1,346)	506	(840)
Items that will be reclassified subsequently to Statement of Profit and Loss						
Effective portion of gains / (loss) on hedging instruments accounted for as cash flow hedges	**(271)**	**95**	**(176)**	72	(25)	47
Exchange differences on translation of foreign operations	**225**	**-**	**225**	(48)	-	(48)
	(4,496)	**1,130**	**(3,366)**	(1,322)	481	(841)

(c) Reconciliation of effective tax rate

	31 March 2020	31 March 2019
Profit before tax		
Tax using the Company's domestic tax rate (Current year and previous year 34.944%)	**23,158**	20,807
Tax effect of:	**8,092**	7,271
Tax effect due to income tax holidays		
Expenses not deductible for tax purposes	**(1,405)**	(1,484)
Effect of change in tax rates	**205**	60
Income taxes relating to prior years	**526**	-
Others	**-**	(749)
Total income tax expense	**34**	(33)
Effective Tax Rate	**7,452**	5,065
	32%	24%

The Company is eligible to claim income tax holiday on profits derived from the export of software services from divisions registered under Special Economic Zone ("SEZ") 2005 scheme and profits and gains derived from business of developing a Special Economic Zone u/s 80-IAB . Profits derived from the export of software services from the divisions registered under the SEZ scheme are eligible for a 100% tax holiday during the initial five consecutive assessment years, followed by 50% for further five years and 50% of such profits or gains for the balance period of five years subject to fulfilment of certain conditions from the date of commencement of operations by the respective SEZ units. In

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

addition to this, the Company is also eligible to claim income tax holiday on profits and gains derived from business of developing a Special Economic Zone u/s 80-IAB. Profit derived from the business of developing a Special Economic Zone can be claimed as deduction equal to 100% of the profits and gains derived from such business for a period of ten consecutive assessment years. The total impact of tax holiday units and developer unit resulted in tax benefit of Rs. 1,405 and Rs. 1,484 for current and previous year respectively. The tax relief holiday will begin to expire from FY 2023-24 through FY 2033-34.

The Special Economic Zone (SEZ) Re-investment Reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Section 10AA(1)(ii) of the Income-tax Act, 1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in the terms of Section 10AA(2) of the Income-tax Act, 1961. During the year, a net amount of Rs. 242 (31 March 2019: Rs. 54) was transferred to SEZ Re-investment Reserve net of utilisation.

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('the Ordinance') issued on 20 September 2019 and which is effective 1 April 2019, domestic companies have an option to pay corporate tax rate at 22% plus applicable surcharge and cess (new tax rate) subject to certain conditions.

The Company has made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure till the Company has utilised its accumulated Minimum Alternate Tax (MAT) Credit. However, in accordance with the accounting standards, the Company has evaluated the deferred tax asset balance as on 31 March 2020 and has reversed an amount of Rs. 526 through the Statement of Profit and Loss and Rs. 481 through other comprehensive income pertaining to re-measurement of deferred tax asset that is expected to reverse in the period subsequent to Company migrating to the new tax regime.

(d) Income tax assets and liabilities

	31 March 2020	31 March 2019
Income tax assets (net)*	**7,939**	7,139
Income tax liabilities (net)	**1,358**	1,413

* Includes deposits paid under dispute of Rs. 5,090 (31 March 2019 - Rs. 4,891)

(e) Movement in deferred tax balances

	Net balance 1 April 2019	**Impact on adoption of Ind AS 116**	**Recognised in Statement of Profit and Loss**	**Recognised in OCI**	**MAT utilisation**	**Net balance 31 March 2020**
Deferred tax liability						
Others	**140**	**(60)**	**135**	**-**	**-**	**215**
	140	**(60)**	**135**	**-**	**-**	**215**
Deferred tax asset						
Cash flow hedges	**(28)**	**-**	**-**	**95**	**-**	**67**
Property, plant and equipment and intangible assets	**5,446**	**-**	**(1,738)**	**-**	**-**	**3,708**
Provisions - employee benefits	**2,401**	**-**	**(282)**	**1,035**	**-**	**3,154**
Provision for doubtful trade receivables	**240**	**-**	**14**	**-**	**-**	**254**
Merger expenses	**159**	**-**	**(116)**	**-**	**-**	**43**
MAT Credit carried forward	**6,640**	**-**	**(54)**	**-**	**(1,516)**	**5,070**
	14,858	**-**	**(2,176)**	**1,130**	**(1,516)**	**12,296**
Deferred tax asset (net)	**14,718**	**60**	**(2,311)**	**1,130**	**(1,516)**	**12,081**

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

	Net balance 1 April 2018	Effect of amalgamation of TCube Software Solutions Private Limited (refer note 36)*	Recognised in Statement of Profit and Loss	Recognised in OCI	Net balance 31 March 2019
Deferred tax liability					
Cash flow hedges	3	-	-	25	28
Others	168	-	(28)	-	140
	171	**-**	**(28)**	**25**	**168**
Deferred tax asset					
Property, plant and equipment and intangible assets	7,165	1	(1,720)	-	5,446
Provisions - employee benefits	1,552	1	342	506	2,401
Provision for doubtful trade receivables	269	-	(29)	-	240
Merger expenses	194	-	(35)	-	159
MAT credit carried forward	6,404	-	236	-	6,640
	15,584	**2**	**(1,206)**	**506**	**14,886**
Deferred tax asset (net)	**15,413**	**2**	**(1,178)**	**481**	**14,718**

Effective 1 April 2019 the Company started utilising accumulated MAT credit and during the year the Company has utilized a MAT credit of Rs. 1,516.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of future taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

36 Amalgamation of wholly owned subsidiary, TCube Software Solutions Private Limited

The Board of Directors, at their meeting held on 23 February 2018, approved the Scheme of Amalgamation ('the Scheme') of TCube Software Solutions Private Limited (TCube) ('transferor company'), wholly owned subsidiary of the Company, with the Company. The Company filed an application with the National Company Law Tribunal, Mumbai (NCLT) to merge TCube with the Company. NCLT approved the Scheme of Amalgamation on 22 October 2019 effective 1 April 2018 (appointed date).

i) In terms of the Scheme of Amalgamation, the whole of the undertaking of TCube as a going concern stands transferred to and vested in the Company with effect from the appointed date.

ii) TCube was engaged in the business of providing software services and solutions for systems implementation, configuration, maintenance and integration services.

iii) The said amalgamation was accounted for under the "Pooling of Interest" method as prescribed under Ind AS 103 'Business Combinations' for amalgamation of companies under common control.

Under 'Pooling of Interest' method, the assets and liabilities of the combining entities are reflected at their carrying amount. No adjustments are made to reflect fair values or recognise any new assets or liabilities. Further the financial information in the financial statements of the Company in respect of prior period should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements of the Company, irrespective of the actual date of combination. However, if business combination had occurred after that date, the prior period information should be restated only from that date. As Tcube was acquired on 1 November 2017, the assets, liabilities and reserves of TCube were merged with the Company at their carrying values as on 1 April 2018 being the beginning of the preceding period in the financial statements.

- the entire business and undertaking of TCube including all the assets, liabilities and reserves as a going concern were transferred to and vested in the Company pursuant to the Scheme at their respective book values under the respective accounting heads of the Company from the appointed date.
- TCube was a wholly owned subsidiary of the Company and accordingly, no consideration was payable pursuant to the scheme of amalgamation. The equity shares held by the Company in the wholly owned subsidiary were cancelled and no shares were issued to effect the amalgamation.
- all inter-company balances and transactions were eliminated.

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

The amalgamation resulted in transfer of assets, liabilities and changes in reserves in accordance with the terms of the scheme at the values given below as at 1 April 2018-

Particulars	Amount
Fixed assets (Net) including capital work-in-progress	21
Non current financial assets	
- Others	2
Deferred tax assets (net)	2
Income tax assets (net)	2
Other non current assets	1
Trade receivables	33
Cash and cash equivalents	6
Other current assets	9
Total assets acquired on amalgamation (A)	**76**
Non-current liabilities	5
Current liabilities	
- Trade payables	1
- Other current liabilities	4
- Provisions	1
Total liabilities acquired on amalgamation (B)	**11**
Net assets acquired on amalgamation (C) = (A-B)	**65**
Reserves taken over under Pooling of interest method under Ind AS 103	
Retained earnings	65
Total reserves on amalgamation (C)	**65**
Investment in shares of transferor company	519
Cancellation of Share capital of transferor company *	-
Consideration in excess of carrying value of the net assets (including the reserves) adjusted to Retained earnings	**(519)**

*amount below rounding off

37 Employee benefit plans

(a) Gratuity benefits

The Company operates a post employment benefit plan that provides for gratuity benefit to eligible employees. The gratuity plan entitles an employee, who has rendered at least five years of continuous services, to receive one-half month's salary for each year of completed service at the time of retirement / exit.

The following table summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the position of assets and obligations relating to the plan.

		31 March 2020	31 March 2019
Present Value of defined benefit obligation			
Projected benefit obligation at the beginning of the year		**5,891**	4,614
Projected benefit obligation assumed on amalgamation (refer note 36)		**-**	7
Current service cost		**1,155**	916
Interest cost		**389**	324
Benefits paid		**(627)**	(717)
Actuarial losses		**135**	747
Projected benefit obligation at the end of the year	**(A)**	**6,943**	5,891

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

		31 March 2020	31 March 2019
Fair Value of plan asset			
Fair Value of plan assets at beginning of the year		**3,729**	3,675
Fair Value of plan assets assumed on amalgamation (refer note 36)		**-**	8
Contributions by employer		**450**	481
Expected return		**263**	280
Actuarial gains		**3**	2
Benefits paid		**(627)**	(717)
Fair Value of plan assets at end of the year	**(B)**	**3,818**	3,729
	(A-B)	**3,125**	2,162
Amounts in the Balance Sheet			
Liabilities			
Current		**-**	-
Non-current		**3,125**	2,162
Included in OCI			
Opening amount recognised in OCI outside the Statement of Profit and Loss		**(599)**	(1,344)
Actuarial loss (gain) arising from:			
Demographic assumptions		**(28)**	(12)
Financial assumptions		**334**	903
Experience adjustment		**(170)**	(144)
Return on plan assets excluding interest income		**(3)**	(2)
		(466)	(599)
Expense recognised in the Statement of Profit and Loss			
Current service cost		**1,155**	916
Interest cost		**389**	324
Expected return on plan assets		**(263)**	(280)
Total included in "Employee benefits expense" (refer note 30)		**1,281**	960

The Company provides the gratuity benefit through annual contributions to a fund managed by a trust. Under this plan, the settlement obligation remains with the Company, although the trust administers the plan and determines the contribution required to be paid by the Company. The trust has invested the plan assets in the Insurer managed funds. The expected rate of return on plan assets is based on the expectation of the average long term rate of return expected on investments of the funds during the estimated term of the obligation. Expected contributions to the fund post 31 March 2020 is Rs. 750.

Category of Assets	**%**	%
Government debt instruments	**3%**	2%
Insurer managed funds	**95%**	96%
Others	**2%**	2%
The principal assumptions used in determining the gratuity benefit are shown below:		
Salary escalation rate	**7%**	7%
Discount rate	**6.35% p.a.**	7.05%p.a.
Expected rate of return on plan assets	**6.35% p.a.**	7.05%p.a.

The estimates of future salary increases, considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the long term yield on government bonds. Assumptions regarding future mortality are based on published statistics and mortality tables.

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below -

(i) As of March 31, 2020, every 0.5 percentage point increase / (decrease) in discount rate will result in (decrease) / increase of gratuity benefit obligation by approximately Rs. (241) and Rs. 257 respectively.

As of March 31, 2019, every 0.5 percentage point increase / (decrease) in discount rate will result in (decrease) / increase of gratuity benefit obligation by approximately Rs. (219) and Rs. 232 respectively.

(ii) As of March 31, 2020 every 0.5 percentage point increase / (decrease) in expected rate of salary will result in increase / (decrease) of gratuity benefit obligation by approximately Rs. 253 and Rs. (240) respectively.

As of March 31, 2019 every 0.5 percentage point increase / (decrease) in expected rate of salary will result in increase / (decrease) of gratuity benefit obligation by approximately Rs. 233 and Rs. (212) respectively.

	31 March 2020
Expected benefit payments are as follows:	
Year ending 31 March	
2021	**856**
2022	**831**
2023	**786**
2024	**759**
2025	**712**
thereafter	**8,064**

(b) Pension benefits

Prepayment of pension liability

Certain employees who have elected to continue under the defined benefit scheme are entitled to a pension on retirement subject to vesting conditions of 45 years of age and 15 years of service. In the event of earlier cessation of employment a deferred pension is payable from the normal retirement date. Employee who retires from the service of the Company is entitled to a pension at the rate of 2% of pensionable Salary, "PENSAL" (last drawn Basic Salary plus Variable Pay, limited to 20% for eligible managers) for each year of management service, subject to a maximum of 70% of PENSAL. Pension as determined above is payable for a period of 15 years certain and thereafter during the lifetime of the Member. On his/her death in retirement or whilst in service, 66.67% of Member's pension is payable to the spouse during her/ his lifetime.

		31 March 2020	31 March 2019
Present Value of defined benefit obligation			
Projected benefit obligation at the beginning of the year		**19**	16
Current Service Cost		**1**	1
Interest cost		**1**	1
Actuarial losses		**2**	1
Projected benefit obligation at the end of the year	**(A)**	**23**	19
Fair Value of plan assets			
Fair Value of plan assets at beginning of the year		**51**	45
Expected return		**3**	3
Contributions by the Company		**-**	3
Fair Value of plan assets at end of the year	**(B)**	**54**	51
Amount not recognised as an asset (limit in para 64(b))	**(C)**	**10**	11
	(A-B+C)	**(21)**	(21)

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

	31 March 2020	31 March 2019
Amount recognised in the Balance Sheet		
Assets		
Current	-	-
Non-current	21	21
Opening value of asset ceiling	11	10
Interest on opening balance of asset ceiling	-	1
Remeasurements due to:		
Change in surplus/ deficit	(1)	-
Closing value of asset ceiling	10	11
Included in OCI		
Opening amount recognised in OCI outside the Statement of Profit and Loss	(9)	(10)
Remeasurement loss / (gain):		
Adjustments to recognise the effect of asset ceiling	(1)	-
Financial assumptions	1	2
Experience adjustment	1	(1)
Return on plan assets excluding interest income	-	-
	(8)	(9)
Expense recognised in the Statement of Profit and Loss		
Current Service Cost	1	1
Interest cost	1	1
Expected return on plan assets	(3)	(3)
Total included in "Employee benefits expense" (refer note 30)	(1)	(1)
Category of Assets	%	%
Insurer Managed Funds	100%	100%
The principal assumptions used in determining pension are shown below:		
Discount rate (p.a)	6.35% p.a.	7.05% p.a
Expected rate of return on plan assets	6.35% p.a.	7.05% p.a
Salary escalation rate	7%	7%

(i) Discount Rate:

The discount rate is based on the prevailing market yields of Indian government bonds as at the Balance Sheet date for the estimated term of the obligations.

(ii) Salary Escalation Rate:

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(iii) Expected contributions to the fund post 31 March 2020 is Rs. Nil.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

As of March 31, 2020, every 0.5 percentage point increase / (decrease) in discount rate will result in (decrease) / increase of pension obligation by approximately Rs. (0.7) and Rs. 0.8 respectively.

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

As of March 31, 2019, every 0.5 percentage point increase / (decrease) in discount rate will result in (decrease) / increase of pension obligation by approximately Rs. (0.7) and Rs. 0.7 respectively.

	31 March 2020
Expected benefit payments are as follows:	
Year ending March 31	
2021*	-
2022*	-
2023	**3**
2024*	-
2025*	-
thereafter	**31**
*below rounding off	

(c) Provident fund

(i) Defined Contribution Plan

In respect of the defined contribution plan as explained in accounting policy O - ii (b), the Company has contributed Rs. 350 for the year (31 March 2019 Rs. 550). These contributions are charged to the Statement of Profit and Loss as they accrue.

(ii) Defined Benefit Plan

In respect of the defined benefit plan as explained in accounting policy O - ii (a), the following tables set forth the movement in plan liabilities, assets, etc.

		31 March 2020	31 March 2019
Present value of defined benefit obligation			
Projected benefit obligation at the beginning of the year		**32,101**	27,297
Current service cost		**2,316**	1,883
Interest cost		**2,364**	2,141
Actuarial losses		**2,126**	258
Employees contribution		**3,497**	2,933
Liabilities transferred in / out		**(429)**	(778)
Benefits paid		**(1,750)**	(1,633)
Projected benefit obligation at the end of the year	**(A)**	**40,225**	32,101
Fair value of plan assets			
Fair value of plan assets at beginning of the year		**31,498**	27,297
Expected return		**2,323**	2,141
Remeasurements due to :			
Actual return on plan assets less interest on plan assets		**1,442**	252
Shortfall arising on account of asset diminution		**(3,633)**	(597)
Employer contribution during the year		**2,316**	1,883
Employee contribution during the year		**3,497**	2,933
Assets transferred in / out		**(429)**	(778)
Benefits paid		**(1,750)**	(1,633)
Fair Value of plan assets at end of the year	**(B)**	**35,264**	31,498
Amount recognised in Balance Sheet	**(A-B)**	**4,961**	603
Amounts in the balance sheet:			

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

	31 March 2020	31 March 2019
Liabilities		
Current	**486**	6
Non-current	**4,475**	597
Expense recognised in the Statement of Profit and Loss		
Current service cost	**2,316**	1,883
Interest cost	**2,364**	2,141
Expected return on plan assets	**(2,323)**	(2,141)
Total included in "Employee benefits expense" (refer note 30)	**2,357**	1,883
Amounts included in OCI		
Opening amount recognised in OCI outside the Statement of Profit and Loss	**603**	-
Actuarial loss /(gain) arising from:		
Financial assumptions	**769**	6
Experience adjustment	**1,357**	252
Actual return on plan assets less interest on plan assets plus shortfall on asset diminution	**2,191**	345
Closing amount recognised in OCI outside the Statement of Profit and Loss	**4,920**	603
Plan Asset Category		
Government of India securities	**59%**	50%
Corporate Bonds	**31%**	38%
Equity shares of Listed companies	**6%**	7%
Others	**4%**	5%
	100%	100%
The principal assumptions used in determining the defined benefit obligation are as follows:		
Discount rate	**6.35%**	7.05%
Expected rate of return on plan assets	**7.90%**	8.64%
Discount rate for the remaining term to maturity of investment	**6.65%**	7.63%
Average historic yield on the investment	**8.20%**	9.22%
Guaranteed rate of return	**8.50%**	8.65%

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

As of March 31, 2020, every 1 percentage point of an increase / (decrease) in the difference between the rate earned and the RPFC guaranteed rate will result in increase / (decrease) of provident fund defined benefit obligation by approximately Rs. 1,571 and Rs. (968) respectively.

As of March 31, 2019, every 1 percentage point of an increase / (decrease) in the difference between the rate earned and the RPFC guaranteed rate will result in increase / (decrease) of provident fund defined benefit obligation by approximately Rs. 1,372 and Rs. Nil respectively.

(iii) The Company contributed Rs. 1,364 (31 March 2019 Rs. 1,064) to the Central Government towards pension, as required by the PF Rules

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

	31 March 2020	31 March 2019
(d) Compensated absences:		

Compensated absences as at the Balance Sheet date, determined on the basis of actuarial valuation based on the "projected unit credit method" is as below -

	31 March 2020	31 March 2019
Current provisions (refer note 27)	**5,188**	4,422
	5,188	4,422
Actuarial assumptions		
Discount rate	**6.35% p.a.**	7.05% p.a.
Salary escalation rate	**7.00%**	7.00%

38 Segment reporting

The Company prepares the standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108 Operating Segments, since the Company has disclosed the segment information in the consolidated financial statements, disclosures are not required in this standalone financial statements.

39 Related party disclosures

Related Party Disclosures in accordance with Ind AS 24 - "Related Party Disclosures" are given below.

Names of related parties and related party relationship

Related parties where control exists

Parent companies

Capgemini SE, the Ultimate Parent Company
The ultimate parent company holds 99.77% in the Company through the below group companies:
Capgemini America, Inc., subsidiary of Capgemini North America, Inc.
Pan-Asia Solutions, Mauritius, subsidiary of Capgemini America, Inc. (till 4 April 2019)
Capgemini North America, Inc., a subsidiary of the ultimate parent company

Subsidiary companies

IGATE Infrastructure Management Services Limited
Liquidhub Analytics Private Limited (w.e.f. 25 November 2019)
Liquidhub India Private Limited (w.e.f. 28 November 2019)
Annik Inc., a subsidiary of Liquidhub Analytics Private Limited (w.e.f. 25 November 2019)
Dalian Liquidhub Consulting Services Limited Company, a subsidiary of Liquidhub Analytics Private Limited (w.e.f. 25 November 2019)
LiquidHub Sp. z.o.o. (formerly Annik SP z o o), a subsidiary of Liquidhub Analytics Private Limited (w.e.f. 25 November 2019)
Liquidhub PTE Ltd, a subsidiary of Liquidhub Analytics Private Limited (w.e.f. 25 November 2019)
Annik UK Ltd, a subsidiary of Liquidhub Analytics Private Limited (w.e.f. 25 November 2019)

Other related parties

Key Management Personnel

Srinivasa Rao Kandula - Managing Director (till 31 December 2018) and Wholetime Director and Chairman
Ashwin Yardi - Wholetime Director and Chief Executive Officer (w.e.f. 1 Jan 2019)
Sujit Sircar - Chief Financial Officer (w.e.f. 25 July 2018)
Aruna Jayanthi - Wholetime Director
Ritesh Talapatra - Executive Director (till 4 February 2020)
Karine Marchat - Director and Chief Financial Officer (till 25 July 2018)
Paul Hermelin - Non- executive director
Hubert Paul Henri Giraud - Non- executive director
Thierry Delaporte - Non- executive director (w.e.f. 03 May 2018, till 05 May 2020)
Armin Billimoria - Company Secretary
Arul Kumaran Paramanandam - Chief Operating Officer (w.e.f. 18 Dec 2018)
Antoine Imbert - Chief Operating Officer (w.e.f. 18 Dec 2018)

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

Employee benefit trusts of the Company or of entity related to the Company
Capgemini India Pvt. Ltd. Employees' Provident Fund
Capgemini Business Services (I) Ltd EPF Trust
Capgemini India Private Limited Employees' Benevolent Fund
Capgemini India Employees Gratuity Fund Trust
Capgemini Business Services (India) Limited Employees Group Gratuity Assurance Scheme
Capgemini Business Services (India) Limited Super Annuation Scheme
IGATE Computer Systems Limited Employees' Gratuity Fund
AXA Technologies Shared Services Private Limited Employees Gratuity Trust

Fellow subsidiaries
Capgemini (China) Co. Ltd.
Capgemini (Hangzhou) Co Ltd
Capgemini Argentina, S.A.
Capgemini Australia PTY Limited
Capgemini Belgium NV/S.A.
Capgemini Business Services (China) Limited
Capgemini Business Services Brasil – Assessoria Empresarial Ltda
Capgemini Business Services B.V.
Capgemini Brasil S.A. (formerly CPM Braxis S.A.)
Capgemini Canada Inc.
Capgemini Consulting Österreich AG
Capgemini Consulting S.A.S.
Capgemini Czech Republic s.r.o
Capgemini Deutschland GmbH
Capgemini Deutschland Holding GmbH
Capgemini Educational Services B.V.
Capgemini España S.L.
Capgemini Finland Oy
Capgemini France S.A.S.
Capgemini Gouvieux S.A.S
Capgemini Government Solutions LLC
Capgemini Hong Kong Limited
Capgemini Italia spA
Capgemini Ireland Limited
Capgemini Japan K.K.
Capgemini Magyarorszag Kft.
Capgemini Mexico S. de R.L de C.V.
Capgemini Nederland B.V.
Capgemini Norge A/S
Capgemini Outsourcing Services GmbH
Capgemini Polska Sp. z.o.o
Capgemini Portugal, Serviços de Consultoria e Informatica, S.A.
Capgemini Saudi Limited
Capgemini Service Romania s.r.l.
Capgemini Service S.A.S.
Capgemini Services Malaysia Sdn Bhd
Capgemini Singapore Pte. Ltd.
Capgemini Singapore Pte. Ltd. - Abu Dhabi Branch
Capgemini Singapore Pte. Ltd. - Dubai Branch
Capgemini Slovensko s.r.o.
Capgemini Danmark A/S
Capgemini Solutions Canada Inc.
Capgemini Suisse S.A.
Capgemini Sverige AB
Capgemini Technologies LLC
Capgemini Technology Services S.A.S.
Capgemini UK plc
Capgemini Vietnam Co. Ltd

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

CHCS Services Inc.
Capgemini Philippines Corp.
Capgemini Asia Pacific Pte. Ltd.
Capgemini Suisse Slovokia branch
Capgemini Financial Services UK Limited
Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited)
Capgemini US LLC (merged with Capgemini America, Inc. w.e.f. 2 July 2016)
Capgemini Financial Services UK Ltd. - South Africa Branch (merged with Capgemini UK Plc – South Africa Branch -262)
Capgemini DEMS France SAS (formerly known as Sogeti High Tech S.A.S.)
Capgemini UK Plc – South Africa Branch -262
Capgemini Asia Pacific Pte Ltd. - Taiwan Branch
CHCS Services Inc - India Branch
Idean Enterprises Inc. (merged with Capgemini America Inc w.e.f. 3 January 2020)
Idean Enterprises Oy
IGATE Computer Systems (Suzhou) Co Ltd. (merged with Capgemini (China) Co. Ltd. w.e.f 05 July 2019)
Igate Singapore Pte. Ltd. (merged with Capgemini Singapore Limited)
Inergi LP
Inergi Inc.
Interactive Thinking S.R.L.
Itelios SAS
New Horizons Systems Solutions Inc
ODIGO SAS
Prosodie S.A.S.
Societe en Commandite Capgemini Quebec Limited Partnership
Sogeti Deutschland GmbH
Sogeti Finland Oy
Sogeti France S.A.S. (merged with Capgemini Technology Services S.A.S. w.e.f. 25 Jan 2019)
Sogeti Luxembourg S.A.
Sogeti Nederland B.V.
Sogeti Norge AS
Sogeti Sverige AB
Sogeti UK Limited

Related party transactions

		31 March 2020	31 March 2019
a)	**Revenues from operations**		
	Capgemini America, Inc.	**56,482**	50,749
	Capgemini UK Plc	**14,311**	13,826
	Others	**57,290**	52,935
b)	**Expense incurred by the Company on behalf of**		
	Capgemini Service S.A.S.	**4**	53
	Capgemini Ireland Limited	**58**	105
	Capgemini Australia Pty. Ltd.	**34**	35
	Liquidhub India Private Limited	**17**	-
	Others	**16**	14
c)	**Expenses cross charged**		
	Capgemini Service S.A.S.	**2,284**	2,000
	Capgemini SE	**890**	986
	Capgemini Singapore Pte. Ltd.	**333**	446
	Capgemini Technology Services S.A.S.	**536**	467
	Others	**388**	482

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

		31 March 2020	31 March 2019
d)	**Interest on loan given**		
	IGATE Infrastructure Management Services Limited	**8**	8
e)	**Sale of contract/ business**		
	Capgemini IT Solutions India Pvt. Ltd.	**114**	-
f)	**Purchase of investments**		
	Capgemini America Inc.	**4,114**	-
g)	**Contribution to employee benefit funds**		
	Capgemini India Employees Gratuity Fund Trust	**420**	427
	Capgemini Business Services (India) Limited Employees Group Gratuity Assurance Scheme	**30**	54
	Capgemini India Pvt. Ltd. Employees' Provident Fund	**2,145**	1,751
	Capgemini Business Services (I) Ltd EPF Trust	**171**	132
h)	**Remuneration**		
	Managing Director	**-**	19
	Wholetime Director and Chairman	**27**	6
	Wholetime Director and Chief Executive Officer	**21**	4
	Chief Financial Officer	**28**	26
	Directors	**43**	69
	Others	**44**	19
i)	**Employee stock compensation expense**		
	Wholetime Director and Chief Executive Officer	**35**	11
	Directors	**52**	144
	Others	**11**	-
Balances outstanding			
a)	**Trade receivables**		
	Capgemini America, Inc.	**7,928**	5,837
	Capgemini Technology Services S.A.S.	**1,737**	2,134
	Others	**10,034**	9,692
b)	**Other non current financial assets - loans**		
	IGATE Infrastructure Management Services Limited	**113**	105
c)	**Unbilled revenue**		
	Capgemini UK PLC	**526**	162
	Capgemini Australia Pty. Ltd.	**288**	194
	Capgemini Ireland Limited	**39**	168
	Capgemini America, Inc.	**1,550**	127
	Others	**1,367**	369

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

		31 March 2020	31 March 2019
d)	**Unearned revenue**		
	Capgemini Technology Services S.A.S.	**66**	-
	Capgemini America, Inc.	**25**	-
	Others	**7**	-
e)	**Other current financial assets**		
	Salary recoverable	**-**	173
f)	**Other current assets**		
	Capgemini India Employees Gratuity Fund Trust	**1**	6
	Capgemini Business Services (India) Limited Employees Group Gratuity Assurance Scheme	**-**	1
g)	**Trade payables**		
	Capgemini Technology Services SAS	**133**	165
	Capgemini SE	**103**	94
	Capgemini Service S.A.S.	**517**	1,203
	Capgemini Singapore Pte. Ltd.	**1**	609
	Capgemini America, Inc.	**133**	-
	Others	**88**	67
h)	**Amounts payable under employee stock option plan**		
	Capgemini SE	**1,278**	1,253
i)	**Other current assets - prepaid expenses**		
	Capgemini Service S.A.S.	**191**	602
j)	**Other non-current assets - prepaid expenses**		
	Capgemini Service S.A.S.	**-**	7
k)	**Other financial liabilities**		
	Capgemini UK PLC	**191**	191
	Others	**21**	-
l)	**Non current provisions - other defined benefit obligation**		
	Capgemini India Pvt. Ltd. Employees' Provident Fund	**4,153**	507
	Capgemini Business Services (I) Ltd EPF Trust	**322**	90
m)	**Current provisions - other defined benefit obligation**		
	Capgemini India Pvt. Ltd. Employees' Provident Fund	**429**	-
	Capgemini Business Services (I) Ltd EPF Trust	**57**	6

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

The Company has the following related party transactions for the year ended 31 March 2020 and 31 March 2019

Transactions	Parent companies		Subsidiary companies		Fellow subsidiaries		Key Management Personnel		Employee benefit trusts of the Company or of entity related to the Company	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Revenues from operations	**56,566**	50,870	**4**	-	**71,513**	66,640	**-**	-	**-**	-
Expense incurred by the Company on behalf of	**1**	4	**22**	-	**106**	203	**-**	-	**-**	-
Expenses cross charged	**1,078**	1,060	**13**	1	**3,340**	3,320	**-**	-	**-**	-
Interest on loan given	**-**	-	**8**	8	**-**	-	**-**	-	**-**	-
Sale of contract/ business	**-**	-	**-**	-	**114**	-	**-**	-	**-**	-
Purchase of investments	**4,114**	-	**-**	-	**-**	-	**-**	-	**-**	-
Contribution to employee benefit funds	**-**	-	**-**	-	**-**	-	**-**	-	**2,766**	2,364
Key managerial personnel										
- Remuneration	**-**	-	**-**	-	**-**	-	**163**	143	**-**	-
- Employee stock compensation expense	**-**	-	**-**	-	**-**	-	**98**	155	**-**	-

The Company has the following related party balances for the year ended 31 March 2020 and 31 March 2019

Transactions	Parent companies		Subsidiary companies		Fellow subsidiaries		Key Management Personnel		Employee benefit trusts of the Company or of entity related to the Company	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Trade receivables	**7,935**	5,854	**34**	10	**11,730**	11,799	**-**	-	**-**	-
Other non current financials assets - loans	**-**	-	**113**	105	**-**	-	**-**	-	**-**	-
Unbilled revenue	**1,552**	127	**-**	-	**2,218**	893	**-**	-	**-**	-
Unearned revenue	**25**	-	**-**	-	**73**	-	**-**	-	**-**	-
Other current financial assets	**-**	-	**-**	-	**-**	-	**-**	173	**-**	-
Other current assets	**-**	-	**-**	-	**-**	-	**-**	-	**1**	7
Trade payables	**236**	94	**3**	-	**736**	2,044	**-**	-	**-**	-
Amounts payable under employee stock option plan	**1,278**	1,253	**-**	-	**-**	-	**-**	-	**-**	-
Other current assets - prepaid expenses	**-**	-	**-**	-	**191**	602	**-**	-	**-**	-
Other financial liabilities	**-**	-	**-**	-	**212**	191	**-**	-	**-**	-
Other non-current assets - prepaid expenses	**-**	-	**-**	-	**-**	7	**-**	-	**-**	-
Non current provisions - other defined benefit obligation	**-**	-	**-**	-	**-**	-	**-**	-	**4,475**	597
Current provisions - other defined benefit obligation	**-**	-	**-**	-	**-**	-	**-**	-	**486**	6

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

40 Leases

		31 March 2020
(a)	**Finance lease: Company as lessee**	
	The Company has acquired motor vehicles under finance leases, for which the future minimum lease payments are as follows:	
	Total minimum lease payments at the year end	20
	Less: amounts representing finance charges	3
	Present value of minimum lease payments	**17**
	Minimum lease payments:	
	Within one year (present value of Rs 10)	12
	After one year but not more than five years (present value of Rs 7)	8
		20

(b) Operating lease: Company as lessee

The Company has taken on operating lease office premises, guest houses and vehicles. The lease arrangements for premises and guest houses have been entered up to a maximum of 10 years from the date of inception. Some of these arrangements have price escalation clauses generally ranging from 5% to 20%. These leases are generally further renewable by mutual agreement. There are no restrictions imposed by these lease arrangements.

Contractual payments under non-cancellable operating leases are as follows:

i)	Lease payments (including service charges) recognised in the Statement of Profit and Loss as rent expense	2,786
ii)	Total Future minimum lease payments under the non - cancellable operating leases :	
	Not later than one year	2,492
	Later than one year but not later than five years	6,832
	Later than five years	4,074
		13,398

Note: Future minimum lease payments include variable lease payments

41 Earnings per share (EPS)

The following table reflects the profit and share data used to compute basic and diluted EPS:

	31 March 2020	31 March 2019
(A) Profit attributable to equity shareholders	**15,706**	15,742
(B) Weighted average number of equity shares in calculating basic EPS (nos.)	**59,139,500**	59,139,500
(C) Weighted average number of equity shares in calculating diluted EPS (nos.)	**59,139,500**	59,139,500
Basic earning per share of face value of Rs.10/- each (A/B)	**265.58**	266.18
Diluted earning per share of face value of Rs.10/- each (A/C)	**265.58**	266.18

42 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The fair values of the financial assets and liabilities are included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation state.

The Company classifies its inputs used to measure fair value into the following hierarchy :

Level 1 : Unadjusted quoted prices in active market for identical assets or liabilities

Level 2 : Inputs other than quoted prices that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Unobservable inputs for assets and liabilities that are not based on observable market data.

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

31 March 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	12,675	12,675	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	2	2	-	-	-	-
Current investments	53,587	-	-	53,587	53,587	-	-	53,587
Loans	-	-	113	113	-	-	-	-
Trade receivables	-	-	23,143	23,143	-	-	-	-
Other non-current financial assets	-	-	1,362	1,362	-	-	-	-
Other current financial assets	-	-	1,480	1,480	-	-	-	-
	53,587	**-**	**38,775**	**92,362**	**53,587**	**-**	**-**	**53,587**
Financial liabilities								
Other non current financial liabilities	-	-	781	781	-	-	-	-
Trade and other payables	-	-	5,659	5,659	-	-	-	-
Lease liabilities current and non-current	-	-	8,578	8,578				-
Other current financial liabilities	49	194	4,013	4,256	-	243	-	243
	49	**194**	**19,031**	**19,274**	**-**	**243**	**-**	**243**

31 March 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	16,098	16,098	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	2	2	-	-	-	-
Current investments	38,173	-	-	38,173	38,173	-	-	38,173
Loans	-	-	105	105	-	-	-	-
Trade receivables	-	-	21,720	21,720	-	-	-	-
Other non-current financial assets	-	-	1,178	1,178	-	-	-	-
Other current financial assets	25	77	1,839	1,941	-	102	-	102
	38,198	**77**	**40,942**	**79,217**	**38,173**	**102**	**-**	**38,275**
Financial liabilities								
Other non current financial liabilities	-	-	857	857	-	-	-	-
Trade and other payables	-	-	7,843	7,843	-	-	-	-
Other current financial liabilities	-	-	4,452	4,452	-	-	-	-
	-	**-**	**13,152**	**13,152**	**-**	**-**	**-**	**-**

(1) Assets that are not financial assets (such as receivables from statutory authorities, prepaid expenses, advances paid and certain other receivables) amounting to Rs. 29,986 and Rs. 29,870 as of 31 March 2020 and 31 March 2019 respectively, are not included.

(2) Other liabilities that are not financial liabilities (such as statutory dues payable, deferred revenue, advances from customers and certain other accruals) amounting to Rs. 18,520 and Rs. 12,924 as of 31 March 2020 and 31 March 2019, respectively, are not included

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring fair values:

Financial instruments measured at fair value

Type	Valuation technique
Foreign exchange forward contracts	The Company's derivative financial instruments consist of foreign exchange forward contracts. Fair value of derivative financial instruments are based on prices as provided by the banks and are classified as Level 2. Inputs include current market-based parameters such as forward rates, yield curves and credit default swap pricing.
Investments	The Company's investments consist primarily of investment in debt linked mutual funds. Fair value of debt linked mutual funds are based on prices as stated by the issuers of mutual funds and are classified as Level 1 or 2 after considering whether the fair value is readily determinable.

During the reporting years ended 31 March 2020 and 31 March 2019, there have been no transfers of financial instruments between Level 1 or Level 2 or Level 3 fair value measurements.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Company periodically assesses the financial reliability of its customers, taking into account the financial conditions, current economic trends and analysis of historic bad debts and ageing of accounts receivable. Financial assets are written off when there is no reasonable expectation of recovery from the customer.

The Company has trade receivables primarily from intercompanies for which it does not foresee any credit risk.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. Out of the total trade and other receivables of Rs. 23,846 and Rs. 22,348 as of 31 March 2020 and 31 March 2019 respectively, the Company has receivables which are past due and impaired as detailed below -

	31 March 2020	31 March 2019
Balance at the beginning of the year	**628**	770
Impairment loss recognised	**75**	-
Impairment provision written back	**-**	(142)
Balance at the end of the year	**703**	628

Others

Credit risk of the Company on cash and cash equivalents and investments is subject to low credit risk since the investments of the Company are only in liquid debt securities with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Counter parties to foreign currency forward contracts are typically multinational and domestic banks with appropriate market reputation.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31 March 2020		Contractual cash flows		
	Carrying amount	Within one year	One year but not more than five years	More than five years
Lease liabilities	8,578	2,217	6,140	2,608
Other non-current financial liabilities	781	-	781	-
Current financial liabilities	4,256	4,256	-	-
Trade and other payables	5,659	5,659	-	-

31 March 2019		Contractual cash flows		
	Carrying amount	Within one year	One year but not more than five years	More than five years
Other non-current financial liabilities	857	-	857	-
Current financial liabilities	4,452	4,452	-	-
Trade and other payables	7,843	7,843	-	-

iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and market value of its investments. The exposure to market risk is a function of investing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

The currency profile of financial assets and financial liabilities as at 31 March 2020 and 31 March 2019 is as below:

Foreign currency exposures as on 31 March 2020

Particulars	Cash and cash equivalents	Trade receivables*	Trade Payables	Other financial liabilities
USD	674	788	410	26
EUR	71	238	767	-
SGD	-	-	1	-
JPY	-	-	17	-
GBP	1	2	27	-
CAD	-	-	2	-
AUD	-	2	2	-
CHF	-	1	-	-
SEK	-	-	-	-
CNY	-	-	1	-
AED	-	-	1	-
PLN	-	-	-	-
HKD	-	-	-	-
OMR	-	196	-	-

*excludes allowance for doubtful receivables

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

Foreign currency exposures as on 31 March 2019

Particulars	Cash and cash equivalents	Trade receivables*	Trade Payables	Other financial liabilities
USD	503	1,030	229	65
EUR	44	195	1,220	-
SGD	-	2	604	-
JPY	-	-	-	-
GBP	-	-	20	-
CAD	-	-	3	-
AUD	-	9	16	-
CHF	-	-	9	-
SEK	-	-	3	-
CNY	-	-	2	-
AED	-	-	-	-
PLN	-	-	4	-
HKD	-	-	5	-
OMR	-	178	-	-

*excludes allowance for doubtful receivables

As at 31 March 2020 and 31 March 2019 every 1% increase / decrease in exchange rates of the respective foreign currencies compared to functional currency of the Company would result in increase / decrease in profit of the Company by approximately Rs. 7 and Rs. (3) respectively.

Currency risk

The Company is exposed to currency risk on account of its receivables and payables in foreign currencies. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, with a maturity period of generally less than one year. The Company does not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of 31 March 2020 and 31 March 2019:

Category	**31 March 2020**		31 March 2019	
	In million	**In Rs. million**	In million	In Rs. million
Forward contracts				
Hedges of recognized assets and liabilities				
USD/INR	**13**	**950**	13	905
Hedges of highly probable forecasted transactions				
USD/INR	**56**	**4,292**	51	3,575
		5,242		4,480

The table below analyses the derivative financial instruments to relevant maturity groupings based on the remaining period as on the balance sheet date:

	31 March 2020	31 March 2019
Forward contracts in USD		
Not later than one month	**455**	452
One to 6 months	**2,414**	2,353
6-12 months	**2,373**	1,675
	5,242	4,480

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

The following table provides the reconciliation of cash flow hedge reserve for the year ended 31 March 2020 and 31 March 2019:

	31 March 2020	31 March 2019
Balance at the beginning of the year	**49**	2
(Loss) / gain recognised in other comprehensive income during the year	**(178)**	361
Amount reclassified to Statement of Profit and Loss during the year	**(93)**	(289)
Tax impact on above	**95**	(25)
Balance at the end of the year	**(127)**	49

43 Contingent liabilities and commitments

A) Commitments

(i) Estimated value of contracts on capital account remaining to be executed [net of advances Rs. 24 (31 March 2019 Rs. 200)]	**1,415**	577

	31 March 2020
(ii) Commitments given on leases consist primarily of common area maintenance charges of the Company's non-cancellable leases	
Not later than one year	**468**
Later than one year but not later than five years	**1,208**
Later than five years	**503**
	2,179

B) Contingent liabilities

	31 March 2020	31 March 2019
(i) Claims not acknowledged as debt	**38**	34

(ii) The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Further, there are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively.

Pending directives from the EPFO, the impact for past periods, if any, is not ascertainable reliably and consequently no financial effect has been provided for in the financial statements. The Company has complied with the order of the SC prospectively effective 1 March 2019 by including such allowances for PF contribution calculations.

iii) The Company has ongoing disputes with income tax, GST, Service tax, VAT and Customs authorities relating to tax treatment of certain items. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives / tax holiday / allowances etc. The Company also periodically receives notices and inquiries from the above tax authorities related to the Company's operations in the jurisdictions it operates in. The Company has evaluated these notices and inquiries and has concluded that any consequent tax claims or demands by the relevant authorities will not succeed on ultimate resolution.

44 Auditors' remuneration

Statutory audit	**17**	17
Tax audit	**3**	3
Other services	**1**	1
Out of pocket expenses	**1**	1
	22	22

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

45 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31 March 2020 and 31 March 2019. The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the micro and small enterprises should mention in their correspondence with its customers the entrepreneur's memorandum number as allocated after filing of the memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at 31 March 2020 has been made in the financial statements based on the information received and available with the Company.

The amounts remaining unpaid to micro and small suppliers as at the end of the year

	31 March 2020	31 March 2019
- Principal	**17**	19
- Interest	**1**	1
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**158**	200
The amount of interest accrued and remaining unpaid at the end of each accounting year	**39**	36
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	**3**	4

46 Employee stock compensation plans

(i) The employees of the Company were entitled to participate in share based awards issued by IGATE Corporation the ultimate parent company till 30 June 2015. Costs pertaining to share based awards issued to the Company's employees are cross charged by the ultimate parent company. Such expenses are accounted for as part of employee benefits and the liability to the ultimate parent company is settled in cash.

Pursuant to the acquisition of IGATE Corporation by Capgemini SE, the Company's Performance Share Awards were converted into performance units issued by Capgemini SE, the ultimate parent company with effect from 1 July 2015. The other plans of the Company have been converted into cash settled incentives. Although the share based awards are issued and administered by Capgemini SE, the Company is required to settle the obligation to the employee directly in cash. The features of the performance shares plan are set out below:

Particulars	**2015 Plan**	
	31 March 2020	31 March 2019
Vesting period	**One, two or three years for the market condition and three years for the internal condition**	One, two or three years for the market condition and three years for the internal condition
Vesting schedule *	**25% of the units on 1 July 2016, 1 July 2017 and 1 July 2018 subject to presence and market performance conditions and 25% of the units on 1 July 2019 subject to presence and internal performance conditions**	25% of the units on 1 July 2016, 1 July 2017 and 1 July 2018 subject to presence and market performance conditions and 25% of the units on 1 July 2019 subject to presence and internal performance conditions
Total number of units outstanding as at opening date	**5,432**	17,315
Units vested	**5,432**	2,688
Units forfeited or canceled during the year **	**-**	9,196
Total number of units outstanding as at closing date	**-**	5,432
Fair value per unit on grant date (in Euros)	**56.3**	56.3

* Units vesting in the first three years are subject to a final adjustment clause tied to the change in the Capgemini SE share price between vesting dates and 1 July 2019

** The internal performance condition was satisfied 100% at the first vesting date, resulting in the vesting of 5,432 units

Details of charge and liability for the above performance plan are set out in table below -

	31 March 2020	31 March 2019
Charge for the year	**19**	22
Liability as at balance sheet date	-	40

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

(ii) Table below sets out the stock option activity of the various ESOP plans under which Capgemini SE granted stock options to the Company's employees.

In the year ended 31 March 2019, on vesting of the 2014 plan, Capgemini SE recharged the Company the cost of acquiring such shares for settlement to the employees. Consequent to this, the Company recognises the compensation cost for these ESOP plans using liability method. The unvested shares are valued at Capgemini SE's share price at the respective reporting date.

Particulars	2014 Plan		2015 Plan		2016 Plan	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Grant date	-	30-Jul-14	29-Jul-15	29-Jul-15	26-Jul-16	26-Jul-16
Performance assessment dates	-	Three years for the internal performance condition and two years for the external performance condition	Three years for the two performance conditions	Three years for the two performance conditions	Three years for the two performance conditions	Three years for the two performance conditions
Vesting period	-	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date
Total numbers of options outstanding at opening date	-	73,250	56,600	62,800	95,600	104,750
Total numbers of options granted during the year	-	-	-	-	-	-
Options exercised	-	65,250	51,080	-	-	-
Options forfeited or canceled during the year	-	8,000	5,520	6,200	3,200	9,150
Total number of options outstanding at closing date	-	-	-	56,600	92,400	95,600
Charge for the year	-	310	2	153	41	214
Amount payable under employee stock option plan - refer note 20 and 25	-	-	-	403	497	456

Particulars	2017 Plan		2018 Plan		2019 Plan	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Grant date	5-Oct-17	5-Oct-17	3-Oct-18	3-Oct-18	2-Oct-19	-
Performance assessment dates	Three years for the two performance conditions	Three years for the two performance conditions	Three years for the two performance conditions	Three years for the two performance conditions	Three years for the two performance conditions	-
Vesting period	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date	-
Total numbers of options outstanding at opening date	119,650	130,850	166,610	-	-	-
Total numbers of options granted during the year	-	-	-	168,645	194,600	-
Options exercised	-	-	-	-	-	-
Options exercised	-	-	-	-	-	-
Options forfeited or canceled during the year	3,350	11,200	4,165	2,035	3,000	-
Options unexercised	-	-	-	-	-	-
Options lapsed	-	-	-	-	-	-
Total number of options outstanding at closing date	116,300	119,650	162,445	166,610	191,600	-
Charge for the year	107	168	176	121	105	-
Amount payable under employee stock option plan - refer note 20 and 25	380	273	296	121	105	-

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

(iii) Capgemini SE, the ultimate parent company, has set up an employee share ownership plan, where eligible employees of the Company were invited to subscribe to the shares of the ultimate parent company at a discount of 12.5% to the current market price of the ultimate parent company shares. On 18 December 2017, 18 December 2018, and 18 December 2019 the ultimate parent company issued shares for 2017, 2018, and 2019 employee ownership plan respectively. The charge for the year for these plans are as below:

Particulars	ESOP 2017		ESOP 2018		ESOP 2019	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Number of shares	**31,417**	38,411	**35,574**	44,451	**38,714**	-
Charge for the year	**5**	7	**6**	3	**2**	-
Employees Stock Option reserve	**15**	10	**9**	3	**2**	-

The Company has used fair value method for accounting of the above employee stock options.

(iv) During the year 31 March 2020, Capgemini SE, the ultimate parent company has vested shares to certain employees for February 2016 plan. The Company has recognised cost of Rs.308 in the Statement of Profit and Loss. Since the Company is not expecting recharge of the cost of acquiring these shares from the ultimate parent company, the corresponding liability has been credited to Employees Stock Option reserve.

47 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, the Company has identified areas including activities for promoting programs that benefit the communities in and around the Company's work centre and further results in enhancing the quality of life and economic well being of the local populace, express commitment to the social development through responsible business practices and good governance, engage with state and its agencies in pursuing the development agenda for sustainable change for its CSR activities. These areas will be pursued in phases and in a manner aligned with the CSR rules and regulations. The funds have been contributed to trusts/organisations involved in the above activities and will be utilized on the activities which are specified in Schedule VII of the Companies Act, 2013. The gross amount required to be spent by the Company on CSR activities is Rs. 400 (31 March 2019 Rs. 271). The total expenditure incurred on 'Corporate Social Responsibility Activities' for the current year is Rs. 352 (31 March 2019 Rs. 187). As per the amendment to section 135(6), the unspent amount of Rs 48 was duly deposited to unspent corporate social responsibility account on 30 April 2020 and such amount shall be spent by the Company in pursuance of its obligation towards the ongoing projects.

Amount spent during the year on:

Particulars	In cash	Yet to be paid	Total
(i) Construction/acquisition of any assets (31 March 2019 Rs. Nil)	-	-	**-**
(ii) CSR Programs (31 March 2019 Rs. 178)	324	11	**335**
(iii) Other expenses allowed under CSR (31 March 2019 Rs. 9)	17	-	**17**
Total (31 March 2019 Rs. 187)	**341**	**11**	**352**

48 Details of loan given covered u/s. 186 (4) of the Companies Act 2013:

Details of loan given by the Company as at 31 March 2020 (including loan given in the previous years)

Name of entity	As on 31 March 2020	Purpose	Loan repayment terms	Rate of interest
IGATE Infrastructure Management Services Limited	113	Business purpose	Repayment to be made within 1095 days	**10% p.a.**

Details for financial year ended 31 March 2020

Name of entity	Opening balance	Loan repaid	Interest accrued	Closing balance
IGATE Infrastructure Management Services Limited	105	-	8	**13**

Details for financial year ended 31 March 2019

Name of entity	Opening balance	Loan repaid	Interest accrued	Closing balance
IGATE Infrastructure Management Services Limited	97	-	8	**105**

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

49 Specified bank notes (SBN)

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.

50 Managerial remuneration

During the year ended 31 March 2016, the Company paid remuneration amounting to Rs. 291 to its whole-time director. Such amounts paid were in excess of the limits specified in section 197 of the Companies Act, 2013 ('the Act') and Schedule V of the Act. The Company approved resolutions in Board meeting held on 23 November 2016 and shareholders' meeting held on 29 December 2016 seeking approval for the excess remuneration paid and subsequently filed an application to the Central Government on 22 February 2017 to ratify excess remuneration paid aggregating to Rs. 221. Pursuant to the application made by the Company, the Central Government, vide its order dated 1 December 2017, approved remuneration amounting to Rs. 118 and directed the Company to recover excess remuneration of Rs. 173. The Company had recorded such excess remuneration as recoverable from the director under 'other current financial assets' (refer note 16) as on 31 March 2019. The Company had filed for a review petition on 23 April 2018 against the Central Government order. Subsequently, the Central Government responded, vide its order dated 6 May 2019 stating that no action was pending at its end and that the onus of compliance with the Act lies with the Company.

The Companies (Amendment) Act, 2017 ("2017 Amendment Act") inserted a new Section 197(17) and amended Sections 197(9) and 197(10) effective 12 September 2018. In view of the newly notified Section 197 (17), on and from the commencement of the 2017 Amendment Act, any application made to the Central Government under the provisions of the erstwhile section 197, which is pending with the Government shall abate, and the Company shall, within one year of such commencement, obtain the shareholders' approval by way of a special resolution to waive off the excess amount receivable from the whole-time director.

Pursuant to Central Government's response and the 2017 Amendment Act, the Company obtained shareholders' approval to waive off the excess amount receivable from the whole-time director through a special resolution on 2 September 2019 via postal ballot in accordance with the provisions of the Act. Accordingly, no amount is recoverable from the director as on 31 March 2020 and the same has been debited to the Statement of Profit and Loss during the current year.

51 Merger schemes pending with National Company Law Tribunal, Mumbai (NCLT)

(i) The Company had filed an application with the Hon'ble High Court of Judicature of Bombay in August 2016 to merge IGATE Infrastructure Management Services Limited with the Group effective 1 April 2017 under Section 391 to 394 of the Companies Act, 1956 pursuant to the approval of the scheme by Board of Directors on 18 July 2016. The said matter got transferred to the NCLT consequent to the notification of provisions relating to scheme of merger under Companies Act, 2013 by the Ministry of Corporate Affairs and to transfer all proceedings pending under Companies Act, 1956 before the various High Courts to the relevant benches of NCLT w.e.f 15 December 2016. In addition to the original scheme of merger, the Board of Directors have approved certain amendments to the scheme on 23 June 2017. The Company has filed the amended scheme of merger with NCLT, Mumbai. Approval for the application is still awaited.

(ii) The Company has filed an application with the NCLT on 25 July 2020 to merge Liquidhub Analytics Private Limited and Liquidhub India Private Limited with the Company, under sections 230 to 232 of the Companies Act, 2013. The appointed date for the merger is 1 April 2020. The merger scheme was approved by the Company's Board of Directors on 26 June 2020.

52 Overdue receivables for export services

As on 31 March 2020, the Company has foreign currency receivables amounting to Rs. 632 (31 March 2019: 348) which is outstanding for a period exceeding nine months from the invoice date. As per the RBI Master Circular No. 14/2015-16 on Export of Goods and Services updated on 16 July 2015, "It is obligatory on the part of the exporter to realize and repatriate the full value of goods or services to India within a period of nine months from the date of export". The export proceeds against these dues have not been repatriated within the stipulated period under the FEMA Rules and Regulations. Management does not expect any penalties/levies in this regard as it has already filed for extension of time for collecting the dues of Rs. 632 (31 March 2019: Rs. 348) with authorised dealer and is awaiting confirmation.

53 COVID-19 Impact

The World Health Organization in February 2020 declared outbreak of Coronavirus (COVID -19) as a pandemic. The pandemic has been rapidly spreading throughout the world, including India. Governments around the world including India have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. The COVID -19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Consequently, the Company's offices also had to be closed down for a considerable period of time, including after the year end.

Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdown in the preparation of the financial statements including the assessment of recoverable values of its assets. The Company is monitoring the situation closely taking into account directives from the Government. At this stage, the Company considers it is in a position,

Notes to the financial statements for the year ended 31 March 2020 *(Contd.)*

(Currency : INR in million)

notably due to its digital capabilities, to ensure continuity of services currently demanded by its clients. However the Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.

Given the effect of these lockdowns on the overall economic activity, the impact assessment of COVID-19 on the financial statements is subject to estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from that estimated as at the date of approval of these financial statements.

54 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year. The Company is required to update and put in place the information latest by the due date of filing its income tax return (30 November 2020). The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

55 Previous year comparatives

Previous year's figures have been regrouped or reclassified as detailed below to conform to current year's presentation.

Account head transferred from	Account head transferred to	Amount
Cash and cash equivalents	Bank balances other than cash and cash equivalents	2
Non-current provisions	Current provisions	3,035
Other non-current assets	Other current assets	103
Trade receivables	Other current financial liabilities	221

Signatures to Note 1 to 55 form an integral part of the standalone financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Capgemini Technology Services India Limited
CIN-U85110PN1993PLC145950

Vijay Mathur
Partner
Membership No: 046476

Srinivasa Rao Kandula
Wholetime Director & Chairman
DIN: 07412426
Place : Bengaluru

Ashwin Yardi
Wholetime Director & Chief Executive Officer
DIN: 07799277
Place : Mumbai

Armin Billimoria
Company Secretary
FCS - 8637
Place : Mumbai
Date : 27 July 2020

Sujit Sircar
Chief Financial Officer
Place : Bengaluru

Place : Mumbai
Date : 27 July 2020

Independent Auditors' Report

To the Members of Capgemini Technology Services India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Capgemini Technology Services India Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2020, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, of its consolidated profit and other comprehensive income, its consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them.

We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of Rs 3,918 million as at 31 March 2020, total revenues of Rs 4,411 million and net cash flows amounting to Rs (258) million for the year ended on that date, as considered in the consolidated financial statements.. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries as noted in 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group. Refer Note 43 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards , for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 42 to the consolidated financial statements in respect of such items as it relates to the Group.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2020.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies, to the extent applicable, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies, to the extent applicable, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No. 046476
UDIN - 20046476AAAADC2259

Mumbai
27 July 2020

Annexure A to the Independent Auditors' report on the consolidated financial statements of Capgemini Technology Services India Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Capgemini Technology Services India Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies incorporated in India under the Companies Act, 2013 , as of that date.

In our opinion, the Holding Company and its subsidiary companies incorporated in India which are its subsidiary companies have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to three subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No. 046476
UDIN - 20046476AAAADC2259

Mumbai
27 July 2020

Consolidated Balance Sheet as at 31 March 2020

(Currency : INR in million)

	Note	31 March 2020	31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	**27,241**	27,396
Right-of-use assets	4	**9,488**	-
Capital work-in-progress	5	**666**	2,549
Goodwill	6	**472**	472
Intangible assets	6	**155**	327
Financial assets			
Loans	7	**398**	-
Others	8	**1,382**	1,199
Deferred tax assets (net)	9	**12,242**	14,878
Income tax assets (net)		**8,064**	7,264
Other non-current assets	10	**1,366**	1,398
Total non-current assets		**61,474**	55,483
Current assets			
Financial assets			
Investments	11	**53,589**	38,179
Trade receivables	12	**23,640**	22,226
Cash and cash equivalents	13	**14,119**	17,803
Bank balances other than cash and cash equivalents	14	**2**	2
Loans	15	**6**	-
Others	16	**1,656**	1,960
Other current assets	17	**9,195**	6,895
Total current assets		**102,207**	87,065
TOTAL ASSETS		**163,681**	142,548
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	**591**	591
Other equity		**124,284**	114,794
Total equity		**124,875**	115,385
Non-current liabilities			
Financial liabilities			
Lease liabilities	19	**7,198**	-
Others	20	**788**	861
Provisions	21	**8,073**	3,218
Other non-current liabilities	22	**-**	530
Total non-current liabilities		**16,059**	4,609
Current liabilities			
Financial liabilities			
Trade and other payables	23		
- Due to micro and small enterprises		**17**	19
- Due to other than micro and small enterprises		**5,879**	8,539
Lease liabilities	24	**1,687**	-
Others	25	**4,371**	4,556
Other current liabilities	26	**3,612**	3,514
Provisions	27	**5,728**	4,479
Income tax liabilities (net)		**1,453**	1,447
Total current liabilities		**22,747**	22,554
Total liabilities		**38,806**	27,163
TOTAL EQUITY AND LIABILITIES		**163,681**	142,548

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Capgemini Technology Services India Limited
CIN-U85110PN1993PLC145950

Vijay Mathur
Partner
Membership No: 046476

Srinivasa Rao Kandula
Wholetime Director & Chairman
DIN: 07412426
Place : Bengaluru

Ashwin Yardi
Wholetime Director & Chief Executive Officer
DIN: 07799277
Place : Mumbai

Armin Billimoria
Company Secretary
FCS - 8637
Place : Mumbai
Date : 27 July 2020

Sujit Sircar
Chief Financial Officer
Place : Bengaluru

Place : Mumbai
Date : 27 July 2020

Consolidated Statement of Profit and Loss for the year ended 31 March 2020

(Currency : INR in million)

	Note	31 March 2020	31 March 2019
Revenue from operations	*28*	**151,715**	140,427
Other income, net	*29*	**5,776**	4,375
Total income		**157,491**	144,802
Expenses			
Employee benefits expense	*30*	**100,715**	91,465
Finance costs	*31*	**746**	107
Depreciation and amortisation expenses	*32*	**6,899**	4,465
Other expenses	*33*	**24,936**	27,634
Total expenses		**133,296**	123,671
Profit before tax		**24,195**	21,131
Tax expense:	*35*		
Current tax		**5,317**	4,052
Deferred tax		**2,309**	1,156
Profit for the year		**16,569**	15,923
Other comprehensive income	*34*		
(i) Items that will not be reclassified subsequently to Statement of Profit and Loss			
Remeasurements of the defined benefit plans (net)		**(4,449)**	(1,345)
Income tax relating to above item		**1,035**	506
(ii) Items that will be reclassified subsequently to Statement of Profit and Loss			
The effective portion of gains / (loss) on hedging instruments in a cash flow hedge		**(271)**	72
Income tax relating to above item		**95**	(25)
Exchange differences on translation of foreign operations		**248**	(39)
Total other comprehensive loss, net of tax		**(3,342)**	(831)
Total comprehensive income for the year		**13,227**	15,092
Earnings per equity share			
Basic and diluted	*42*	**280.17**	269.24

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date attached

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Date : 27 July 2020

Sujit Sircar
Chief Financial Officer
Place : Bengaluru

Place : Mumbai
Date : 27 July 2020

Statement of Consolidated Cash Flows for the year ended 31 March 2020

(Currency : INR in million)

		31 March 2020	31 March 2019
A.	**Cash flows from operating activities**		
	Profit before tax	**24,195**	21,131
	Adjustments for:		
	Depreciation and amortisation expenses	**6,899**	4,465
	Profit on sale of subsidiary	**(10)**	-
	Income on mutual funds	**(3,041)**	(3,342)
	Provisions no longer required written back	**-**	(124)
	Provision for doubtful trade receivables written off/ back	**60**	(107)
	Profit on sale / disposal of assets (net)	**(77)**	-
	Interest on deposits with banks	**(1,089)**	(359)
	Other interest (including interest on income tax and service tax refunds)	**(150)**	(3)
	Interest on income tax	**83**	90
	Interest on lease obligations	**660**	13
	Interest under MSMED Act, 2006	**3**	4
	ESOP subscription plan and performance plan charge	**321**	(803)
	Unrealised foreign currency gain (net)	**(139)**	(162)
	Operating profit before working capital changes	**27,715**	20,803
	Changes in working capital		
	(Decrease) / increase in trade and other payables	**(2,680)**	1,637
	Increase in other current financials liabilities	**237**	280
	(Decrease) / increase in other non current financials liabilities	**(66)**	819
	Increase in other current liabilities	**164**	102
	Increase in other non-current liabilities	**-**	47
	Increase in current provisions	**769**	3,155
	Increase / (decrease) in other non-current provisions	**885**	(2,117)
	Increase in trade receivables	**(1,307)**	(4,311)
	(Increase) / decrease in non-current assets	**(151)**	603
	(Increase) / decrease in other current assets	**(2,153)**	973
	Decrease / (increase) in other financial assets	**62**	(296)
	Cash generated from operations	**23,475**	21,695
	Taxes paid, net	**(4,676)**	(5,729)
	Net cash generated from operating activities	**18,799**	15,966
B.	**Cash flows from investing activities**		
	Purchase of tangible and intangible assets	**(4,483)**	(7,056)
	Proceeds from sale of tangible and intangible assets	**152**	160
	Purchase of subsidiaries	**(4,114)**	-
	Proceeds from sale of subsidiary	**37**	-
	Purchase of current investments	**(178,763)**	(201,621)
	Proceeds from sale of current investments	**166,395**	207,317
	Loans given	**(398)**	-
	Loans repaid	**-**	28
	Interest received on fixed deposits	**1,050**	93
	Net cash used in investing activities	**(20,124)**	(1,079)

Statement of Consolidated Cash Flows for the year ended 31 March 2020

(Currency : INR in million)

		31 March 2020	31 March 2019
C.	**Cash flows from financing activities**		
	Interest on lease obligations		(13)
	Payment of lease liabilities	**(1,748)**	-
	Net cash used in financing activities	**(2,408)**	(13)
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(3,733)**	14,874
	Effect of exchange differences on translation of foreign currency cash and cash equivalent	**61**	26
	Add: Cash balances taken over pursuant to business combination under common control (refer note 36 (A) & 36 (B))	**-**	402
	Less: Sale of Liquidhub Sp. z.o.o.	**(12)**	-
	Cash and Cash equivalents at the beginning of the year	**17,803**	2,501
	Cash and Cash equivalents at the end of the year	**14,119**	17,803

Notes :

1)	**Reconciliation of cash and cash equivalents:**		
	Cash and cash equivalents comprise of:		
	Cash on hand*	**-**	-
	Remittances in transit	**532**	70
	Current accounts	**623**	1,253
	EEFC accounts	**742**	808
	Deposits accounts	**12,222**	15,672
	Cash and cash equivalents at the end of the year	**14,119**	17,803

* the amount of Rs. 117,367 (previous year Rs. 116,778) is below the rounding off limit in million

2) Purchase of tangible and intangible assets include payments for items in capital work in progress and advance for purchase of such tangible and intangible assets.

3) Previous year's figures have been regrouped, wherever necessary to conform to the current year's classification.

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Capgemini Technology Services India Limited
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Company Secretary
FCS - 8637
Place : Mumbai
Date : 27 July 2020

Sujit Sircar
Chief Financial Officer
Place : Bengaluru

Place : Mumbai
Date : 27 July 2020

Consolidated Statement of Changes in Equity (SOCIE) for the year ended 31 March 2020

(Currency : INR in million)

(a) Equity share capital

	31 March 2020	31 March 2019
Equity share capital balance at the beginning	**591**	591
Movement during the year	**-**	-
Equity share capital balance at the end	**591**	591

(b) Other equity

Particulars	Attributable to the equity holders of the parent											
	Reserves and surplus								Items of Other comprehensive income			
	Capital reserve	Building revaluation reserve	Securities premium	Capital redemption reserve	General reserve	Employees Stock Option reserve	Special Economic Zone re-investment reserve	Retained earnings	Effective portion of cash flow hedges	Exchange differences on translation of foreign operations	Remeas-urements of the defined benefit plans	Equity attributable to Equity share holders of the Company
Balance at 31 March 2018	**(265)**	**1**	**836**	**330**	**1,417**	**1,212**	**-**	**94,615**	**2**	**(187)**	**854**	**98,815**
Reserves pursuant to business combination under common control (refer note 36 (A) and 36 (B))	78	-	-	-	15	-	-	1,589	-	8	-	1,690
ESOP Subscription plan charge for the year (refer note 47 (iii))	-	-	-	-	-	10	-	-	-	-	-	10
ESOP previously classified as equity awards now classified as liability awards (refer note 47(ii))	-	-	-	-	-	(813)	-	-	-	-	-	(813)
Transferred to Special Economic Zone re-investment reserve	-	-	-	-	-	-	54	(54)	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	15,923	-	-	-	15,923
Other comprehensive income for the year	-	-	-	-	-	-	-	-	47	(39)	(839)	(831)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15,923**	**47**	**(39)**	**(839)**	**15,092**
Balance at 31 March 2019	**(187)**	**1**	**836**	**330**	**1,432**	**409**	**54**	**112,073**	**49**	**(218)**	**15**	**114,794**

Particulars	Attributable to the equity holders of the parent											
	Reserves and surplus								Items of Other comprehensive income			
	Capital reserve	Building revaluation reserve	Securities premium	Capital redemption reserve	General reserve	Employees Stock Option reserve	Special Economic Zone re-investment reserve	Retained earnings	Effective portion of cash flow hedges	Exchange differences on translation of foreign operations	Remeasure-ments of the defined benefit plans	Equity attributable to Equity share holders of the Company
Balance at 31 March 2019	(187)	1	836	330	1,432	409	54	112,073	49	(218)	15	114,794
Debit balance net off with retained earnings as per Ind AS 103	187	-	-	-	-	-	-	(187)	-	-	-	-
Impact of first - time adoption of Ind AS 116	-	-	-	-	-	-	-	56	-	-	-	56
Capital reserve arising on elimination of investment in LHA and LHI	-	-	-	-	-	-	-	(4,114)	-	-	-	(4,114)
ESOP Subscription plan charge for the year (refer note 47 (iii))	-	-	-	-	-	13	-	-	-	-	-	13
ESOP charge for performance share 2016 plan (refer note 47 (iv))	-	-	-	-	-	308	-	-	-	-	-	308
Utilisation from Special Economic Zone re-investment reserve	-	-	-	-	-	-	(54)	54	-	-	-	-
Transferred to Special Economic Zone re-investment reserve	-	-	-	-	-	-	296	(296)	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	16,569	-	-	-	16,569
Other comprehensive income for the year	-	-	-	-	-	-	-	-	(176)	248	(3,414)	(3,342)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16,569**	**(176)**	**248**	**(3,414)**	**13,227**
Balance at 31 March 2020	**-**	**1**	**836**	**330**	**1,432**	**730**	**296**	**124,155**	**(127)**	**30**	**(3,399)**	**124,284**

Nature and purpose of reserves

1 **Capital reserve**
Capital reserve represents the profit/(loss) on acquisition / business combination under common control of subsidiary companies.

2 **Building revaluation reserve**
Building revaluation reserve represents gains arising on the revaluation of land and building on 1 January 1995.

3 **Securities premium**
Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.

4 **Capital redemption reserve**
As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilized in accordance with the provisions of Section 69 of the Companies Act, 2013.

5 **General reserve**
General reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes.

6 **Employees Stock Option reserve**
Capgemini SE, the ultimate parent company allocated performance shares of the group company to certain employees of the Group. The grant of such performance and employment linked shares relate to the share capital of the group company and has no impact on the Group's share capital. The Group determines the compensation cost based on grant date fair value method. This amount is recognised in employee benefits expense in the Statement of Profit and Loss on a straight line basis over the vesting period, with a corresponding adjustment to Employee stock option reserve for employee subscription plan (refer note 47(iii)).

7 **Special Economic Zone re-investment reserve**
The Special Economic Zone re-investment reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Sec 10AA(1)(ii) of Income-tax Act,1961. The reserve will be utilised by the Group for acquiring new plant and machinery for the purpose of its business in the terms of the Sec 10AA(2) of the Income-tax Act, 1961.

8 **Retained earnings**
Retained earnings is the amount of net income retained by the Group after it has paid out dividends to its shareholders.

9 **Effective portion of cash flow hedges**
The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to Statement of Profit and Loss in the period in which the hedged transaction occurs.

10 **Exchange differences on translation of foreign operations**
This reserve represents the exchange differences arising from the translation of financial statements of foreign branches and subsidiaries with functional currency other than Indian rupees to reporting currency.

11 **Remeasurements of the defined benefit plans**
Remeasurements of the defined benefit plans comprises of actuarial gains and losses on calculation of defined benefit obligations and differences between the fair value of plan assets, return on plan assets and actual interest income on plan assets. These remeasurements are recognised in other comprehensive income and will not be reclassified to Statement of Profit and Loss.

The accompanying notes form an integral part of the Consolidated financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
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Company Secretary
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Place : Mumbai
Date : 27 July 2020

Sujit Sircar
Chief Financial Officer
Place : Bengaluru

Place : Mumbai
Date : 27 July 2020

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

1 Corporate overview

Capgemini Technology Services India Limited ("the Company" or "CTSIL") is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. These consolidated financial statements comprise the Company and its subsidiaries (collectively referred to as the 'Group'). The Group is primarily engaged in providing Information Technology ("IT") and IT - enabled operations, offshore outsourcing solutions and BPO (business process outsourcing) services to large and medium-sized organizations using an offshore/ onsite model. The Group has its branches and subsidiaries in India, United States, China, Singapore, UK and Malaysia. IT services and IT-enabled operation offshore outsourcing solutions are delivered using the offshore centers located in Bangalore, Gurgaon, Hyderabad, Chennai, Noida, Mumbai, Pune, Kolkata, Trichy, Salem and Gandhinagar in India.

2 Significant accounting policies

a) Statement of compliance and basis of preparation

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 ("the Act") and other relevant provisions of the Act read with the Companies (Indian Accounting Standards) Rules as amended from time to time. These consolidated financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The consolidated financial statements have been prepared on the following basis:

The consolidated financial statements include the financial statements of the Company and its subsidiaries, which are more than 50% owned and controlled. The financial statements of the parent company and its majority owned/ controlled subsidiaries which are drawn up to the same reporting date have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all intra-group balances/transactions and resulting unrealised gain/loss.

i) Basis of consolidation

The financial statements of the following entities in the Group are prepared using uniform accounting policies and are drawn up to the same accounting period as that of the Group

Subsidiaries are entities controlled by the Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

However, in case of common control transactions, wherein the subsidiary purchased was part of the same group as the Company, the financial statements of the subsidiaries are included in the consolidated financial statements from the beginning of the preceding period irrespective of the actual date of combination. However, if the subsidiary became the common control entity after that date, the prior period information should be restated only from that date.

Generally, there is a presumption that majority of voting rights results in control. To support this presumption and when the Group has less than majority of voting or similar rights over an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holder
- Rights arising from other contractual arrangements
- Potential voting rights held by the Group

The consolidated financial statements of the group are prepared based on a line by line consolidation of the separate financial statements of the Company and its subsidiaries whereby the book values of like items of assets, liabilities, income, expenses and tax have been added.

The excess of the cost to the parent of its investments in a subsidiary over the parent's portion of equity at the date on which investment in the subsidiary is made, is recognised as 'Goodwill'. When the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary at the date on which investment in the subsidiary is made, the difference is treated as 'Capital Reserve' in the consolidated financial statements. In case of common control transactions, the difference, if any, between the consideration / investment and the amount of share capital of the acquired entity is transferred to capital reserve. In the absence of the capital reserve, consideration in excess of carrying value of the net assets (including the reserves) taken over is adjusted to the Retained earnings.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Functional currency and presentation currency

These consolidated financial statements are prepared in Indian Rupees (INR) which is also the Group's functional currency. All amounts have been rounded-off to the nearest million of Indian Rupees (INR) except share and per share data, unless otherwise stated .

c) Use of estimates

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Examples of such estimates include estimates of contract costs to be incurred to complete software development project, provision for taxes, employee benefit plans, provision for doubtful debts and advances and estimated useful life of Property, plant and equipment. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Revenue recognition

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts. The use of the percentage-of-completion method requires the Group to estimate the costs expended to date as a proportion of the total costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Taxes

The Group provides for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any. The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Group against which such assets can be utilized. MAT (Minimum Alternate Tax) is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and is included in Deferred tax assets. The Group reviews the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Group will be able to absorb such credit during the specified period.

Business combination

In accounting for business combinations, judgement is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets acquired (including useful life estimates), liabilities acquired and contingent consideration assumed involves management judgement. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgements, estimates, and assumptions can materially affect the results of operations.

Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Allowance for trade receivables

The Group follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables (including lease receivables). For the purpose of measuring lifetime ECL allowance for trade receivables, the Group estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

Useful life of property, plant and equipment

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Provisions and contingent liabilities

Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

d) Business combinations

Business combinations (other than common control business combinations) on or after 1 April 2015

As part of its transition to Ind AS, the Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, to only those business combinations that occurred on or after 1 April 2015. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the Statement of Profit and Loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the Statement of Profit and Loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. The determination of the amount to be included in consideration transferred is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the Statement of Profit and Loss or OCI, as appropriate.

Common control business combinations on or after 1 April 2015

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the consolidated financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve. In the absence of the capital reserve, consideration in excess of carrying value of the net assets (including the reserves) taken over is adjusted to the Retained earnings.

Business combinations prior to 1 April 2015

In respect of such business combinations, goodwill represents the amount recognised under the Group's previous accounting framework under previous GAAP adjusted for the reclassification of certain intangibles.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

e) Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realised within 12 months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

a. it is expected to be settled in the group's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within 12 months after the reporting date; or

d. the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents, generally twelve month is considered as operating cycle.

f) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, including import duties and other non-refundable taxes or levies and directly attributable costs of bringing the asset to its working condition for the intended use and estimated costs of dismantling the assets at the site at which it is located. Trade discounts and rebates, if any, are deducted while computing the cost.

Property, plant and equipment acquired wholly or partly with specific grant / subsidy from government are recorded at the fair value as on the agreement date.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repairs and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses arising from disposal of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is disposed.

Assets that will be recovered primarily through sale rather than through continuing use are classified as held for sale.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

g) Capital work in progress:

The cost of property, plant and equipment not ready for use before the balance sheet date is disclosed as capital work-in-progress. Advances paid towards the acquisition of property, plant and equipment outstanding as at balance sheet date is disclosed under other non-current assets.

h) Depreciation on property, plant and equipment

The Group has provided for depreciation using straight line method over the useful life of the assets as estimated by management. Pursuant to a change in business strategy and macro-economic conditions, the Group had revised its estimate of useful life for fixed assets with effect from 1 January 2016 other than assets acquired by the Group pursuant to amalgamation. The revised useful lives are applicable for assets capitalised on or after 1 January 2016.

Gross block	Assets capitalised on or before 31 December 2015	Assets capitalised post 1 January 2016
Leasehold Land	Over the lease period	Over the lease period
Buildings*	25-40 years	30 years
Leasehold Improvements	Lower of lease period or primary lease period	Lower of lease period or 6 years
Computers*	3 years	3-5 years
Furniture and fixtures*	5 years	7 years
Office equipment	5 years	7-15 years
Vehicles*	4-5 years	5 years

Assets acquired by the Group pursuant to amalgamation of Capgemini India Private Limited have useful lives as below -

Gross block	Useful life
Leasehold Land	Over the lease period
Buildings*	30 years
Leasehold Improvements	Lower of lease period or 6 years
Computers*	3-5 years
Furniture and fixtures*	7 years
Office equipment	7 years
Vehicles*	5 years

* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation is charged on a proportionate basis from / up to the date the assets are purchased / sold during the year.

Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and shown under 'other current assets'. A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Losses arising from retirement or gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

i) Intangible assets

(i) Goodwill

Goodwill that arises on an amalgamation or on acquisition of a business is presented as an intangible asset. Goodwill arising on amalgamation is measured at cost less accumulated amortisation and any accumulated impairment loss. Such goodwill is amortised over its estimated useful life or five years whichever is shorter. Goodwill is tested for impairment annually.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

(ii) Acquired intangible assets

IIntangible assets acquired separately are initially recognised at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis over the estimated useful economic life and are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

Computer software held for use in business purpose is amortised over an estimated useful life of 3 - 5 years or the period of licenses, whichever is lower.

j) Leases

The Group adopted Ind AS 116 with effect from 1 April 2019 in accordance with Ind AS 116, at the inception of a contract, the Group assesses whether the contract is or contains a lease. The Group determines that a contract is or contains a lease if the contract conveys right to control the use of an identified asset for a period of time in exchange for a consideration. Further, the lease arrangement is determined to be an operating lease or a finance lease at the inception of the lease based on the substance of the arrangement.

The Group recognises lease liability at the present value of the future lease payments for non-cancellable period of a lease which is not short term in nature, except for lease of low value items. The future lease payments for such non-cancellable period is discounted using the Group’s incremental borrowing rate. Lease payments include fixed payments, in substance fixed payments, variable lease payments, amounts expected to be payable by the Group under residual value guarantee, the exercise price of a purchase option if the Group is reasonably certain to exercise that option and payment of penalties for terminating the lease if the lease term considered reflects that the Group shall exercise termination option. The Group also recognises a right-of-use asset which comprises of amount of initial measurement of the lease liability, any initial direct cost incurred by the Group and estimated costs to dismantle or remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payment, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease lability is remeasured in this way, a corresponding adjustment is made to carrying amount of the right-of-use asset, or is recorded in the Statement of Profit and Loss if the carrying value of the right-of-use asset has been reduced to zero.

Right-of-use assets is amortised over the lease term. Subsequently, right-of-use assets are measured at their inception value less amortisation and impairment if any.

The Group presents right-of-use assets under ‘Right-of-use assets’ and lease liabilities in ‘Financial liabilities’ in the Balance sheet.

k) Impairment of property, plant and equipment

Property, plant and equipment which are not yet available for use are tested for impairment annually. Other property, plant and equipment (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangibles mandatorily tested annually for impairment, the asset’s recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill is allocated to CGUs only when the allocation can be done on a reasonable and consistent basis. If this requirement is not met for a specific CGU under review, the smallest CGU to which the carrying amount of goodwill can be allocated on a reasonable and consistent basis is identified and the impairment testing carried out at that level.

The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset’s recoverable amount. A previously

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is recognised in the revaluation reserve.

l) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current/non-current classification scheme of Schedule III of the Act.

Long term investments are stated at cost less other than temporary decline in the value of such investments, determined separately for each individual investment.

Current investments are carried in financial statements at lower of cost and fair value determined by category of investment. The fair value is determined using quoted market price/market observable information adjusted for cost of disposal. The comparison of cost and fair value is done separately for each individual investment.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

On disposal of the investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

m) Revenue recognition

The Group primarily derives revenue from rendering IT, IT related services and business process outsourcing services.

Effective April 1, 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. The method for recognising revenue depends on the nature of the services rendered:

(i) Time and material contracts

Revenue from time and material contracts is recognised over the time as the related services are rendered. Revenue from these contracts are measured based on the number of hours spent on the contract.

(ii) Fixed price contracts

Revenue from fixed-price development contracts is recognised using the percentage of completion method, under which the contract performance is determined by relating the actual costs incurred to date to the estimated total costs for each contract. The cost incurred (or input) method is used to measure progress as there is a direct relationship between input and productivity. If the Group does not have a sufficient basis to measure the progress of completion or to eliminate the total contract revenue and costs, revenue is recognised only to the extent contract costs incurred, for which recoverability is probable. The related costs on deliverable- based contracts are expensed as incurred.

The Group earns contractually the right to bill upon achievement of specified milestones or upon customer acceptance of work performed. The difference between cumulative billings and cumulative revenue recognised is reflected in the balance sheet as contract assets or contract liabilities.

(iii) Fixed price maintenance contracts

Revenue on services- based contracts is recognised based on time elapsed mode and revenue is straight lined over the period of performance. Recurring services are generally considered to be one single performance obligation, comprised of a series of distinct daily units of service satisfied over time.

(iv) Others

- As part of its operational activities, the Group may be required to resell hardware, software and services purchased from third-party suppliers to its customers. The Group acts as a "principal" when it obtains control of the hardware, software or services before transferring them to the customer. In such case, the transaction is presented on a gross basis in the Statement of Profit and Loss. If the Group acts as an "agent", the transaction is presented on a net basis in the Statement of Profit and Loss. For example, transactions are recorded on a net basis when the Group does not have the primary responsibility for the fulfilment of the contract and does not bear inventory and customer acceptance risk.

- Revenue from services rendered to parent company, ultimate parent company and fellow subsidiaries is recognised on cost plus mark-up basis determined on arm's length principle as and when the related services are rendered.
- Revenue on multi- deliverable contracts is recognised applying the appropriate method as specified above, depending on the performance obligations identified.
- Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established and there is no uncertainty in

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Costs to obtain and fulfill contracts:

Sales commission incurred to obtain multi- year service contracts are capitalised and amortised over the contract period. Commissions are not capitalised if the amortisation period is one year or less.

Costs incurred prior to the signature of an enforceable contract are capitalised only if they are directly attributable to the design or set- up phase of a specifically identified contract, if the signature of the contract is probable, and if the costs are expected to be recoverable from the contract.

Costs incurred to fulfill a contract are expensed as incurred, with the exception of certain initial set- up costs, such as transition and transformation costs that do not represent a separate performance obligation.

Reimbursements received from customers are recognised as revenue, as costs are incurred.

A provision for onerous contracts is recorded if the unavoidable costs of fulfilling the contract exceed the related benefits.

Critical Judgements

- The Group's contracts with customers may include promises to transfer multiple products and services to a customer. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- When multiple Performance Obligations are identified within a single contract, the Group allocates the total contract price to the Performance Obligations based on their relative Standalone Selling Price ("SSP"). In the absence of directly observable prices for similar services sold separately to similar customers, SSPs are estimated, based on expected costs plus a margin rate commensurate with the nature and risk of the service. Further, the Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.
- Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Group uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of the completion of the performance obligation.
- Contract fulfilment costs are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract Assets and Liabilities

Contract assets are presented separately from trade receivables. Contract assets reflect revenue recognised for which the corresponding rights to receive consideration are contingent upon something else other than the passage of time, such as the Group's future performance, achievement of billing milestones, or customer acceptance. Accordingly, contract assets (unbilled revenue) is disclosed under other current assets. When customer contract assets are no longer contingent, except for the passage of time, they convert into trade receivables.

Contract liabilities represent consideration received or receivable in advance of performance or billing in excess of revenue. Contract assets and liabilities are presented on a net basis for each individual contract.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

Recognition of dividend income, interest income or expense

Dividend income is recognised in the Statement of Profit and Loss on the date on which the Group's right to receive payment is established. Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied on time proportion basis to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

n) Foreign currency transactions and balances

i) Initial recognition

The Group is exposed to foreign currency transactions including foreign currency revenues, receivables, expenses and payables. Foreign exchange transactions during the year are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss for the year.

ii) Translation

"Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the Statement of Profit and Loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI); and
- qualifying cash flow hedges to the extent that the hedges are effective.

iii) Translation of foreign operations

The assets and liabilities of foreign operations (subsidiaries and branches) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to the Statement of Profit and Loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to OCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the Statement of Profit and Loss.

o) Employee benefits

i) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Accumulated leave, which is expected to be utilised within the next twelve months, is also treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

entitlement that has accumulated at the reporting date. These amounts are charged to the Statement of Profit and Loss.

ii) Post-employment benefits

(a) Provident fund

Until the year ended 31 March 2018, employee benefits in respect of provident fund, except as stated below, were a defined contribution plan

The provident fund plan is a post-employment benefit plan under which the Company pays specified monthly contributions to a separate Trust. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Additionally, under the plan described above, the Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the interest rate prescribed by the Government every year to be paid on the accumulated contributions. The Company measures this liability for any interest rate shortfall through actuarial valuation as a defined benefit obligation.

Due to certain developments in the previous year and subsequently, certain of the private sector investment securities held by the Trust were considered to be potentially doubtful of recovery. Since the matter as to whether the Company is obligated to make good the loss is a matter of legal interpretation, the Company obtained a legal opinion from an independent legal counsel. Based on the legal opinion, the Company considers the provident fund plan as a defined benefit plan. The liability, accordingly, is now being determined actuarially.

(b) Provident fund

In respect of certain other employees of the Group, monthly provident fund contributions are remitted to the Regional Provident Fund Commissioner, a Government authority. The Group has no further obligation to contribute other than the monthly contributions and, therefore, the plan is accounted as defined contribution plan.

(c) Defined benefit plan - Gratuity

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Such net obligation is recognised either as an asset or as a liability in the balance sheet. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Group's obligation is performed annually by a qualified actuary using the Projected Unit Credit Method.

The present value of the obligation under such benefit plan is determined based on an actuarial valuation using the Projected Unit Credit Method which recognises each period of service that gives rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured using the Projected Unit Credit Method. The discounted rates used for determining the present value are based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognised in other comprehensive income, net of taxes, for the period in which they occur. All expenses related to defined benefit plan is recognised in employee benefits expense in the Statement of Profit and Loss. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring cost or termination benefits. The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

(d) Defined benefit plan - Pension

The Group provides for superannuation scheme which is applicable to certain eligible employees. The plan provides lump sum payment based on a vesting period. The Group's liability is actuarially determined using Projected Unit Cost method at the end of each year. Actuarial gains and losses are recognised in other comprehensive income, net of taxes, for the period in which they occur.

(e) Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The obligation in respect of compensated absences is provided on the basis of an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan is based on the market yields as at the balance sheet date on Government securities, having maturity periods approximating to the terms of the related obligations. Actuarial gains and losses are recognised in other comprehensive income, net of taxes, for the period in which they occur. To the extent the Group does not have an unconditional right to defer the utilization or encashment of the accumulated compensated absences, the liability determined based on actuarial valuation is considered to be a current liability.

p) Employee stock compensation

Employees of erstwhile IGATE Global Solutions Limited

Pursuant to the acquisition of IGATE Corporation by Capgemini SE, the ultimate holding company with effect from 1 July 2015, the employees of erstwhile IGSL are now entitled to participate in share based awards issued by Capgemini SE. Although the share based awards are issued and administered by Capgemini SE, the Group is required to settle the obligation to the employee directly in cash. Such expenses are accounted for as part of employee benefit expense and the amounts payable to employees are disclosed under 'other current liabilities'.

Employees of the Company

Capgemini SE, the ultimate parent company has also allocated performance shares of the group company to the employees of the Group. The grant of the such performance and employment linked shares relate to the share capital of the group company and has no impact on the Group's share capital.

Upon vesting of these shares, the ultimate parent company may recharge the cost of acquisition of these shares to the Company. Also, the employees have a choice to opt for cash settlement instead of shares.

The Group recognizes such compensation costs based on liability method. Such stock based awards' compensation expenses is recognised in "Employee benefits expense" in the Statement of Profit and Loss on a straight-line basis over the vesting period with a corresponding credit to current / non-current financial liabilities.

q) Income taxes

Income tax comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

r) Earnings per share

Basic earnings per share is computed by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, amalgamations, bonus element in a rights issue, buyback, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of equity shares considered to derive the basic EPS, and also the weighted average number of equity shares that could have been issued on conversion of all the dilutive potential equity shares which are deemed converted at the beginning of reporting year, unless issued at a later date.

s) Provisions

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Onerous Contracts

A contract is considered as onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

t) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

u) Statement of Cash Flows

Cash flows are reported using the indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated.

v) Financial instruments

i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost; - FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the Statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the Statement of Profit and Loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the Statement of Profit and Loss.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v) Derivative instruments and hedge accounting

The Group uses derivative financial instruments (foreign currency forward and option contracts) to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions.

The use of foreign currency forward contracts and options are governed by the Group's policies, which provide written principles on the use of such financial derivatives consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes. The Group enters into derivatives instruments where the counter party is primarily a bank.

Cash Flow Hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised separately within equity. For hedged forecast transactions, the amount accumulated in other equity is reclassified to the Statement of Profit and Loss in the same period or periods during which the hedged expected future cash flows affect profit or loss. If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, it is reclassified to the Statement of Profit and Loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the Statement of Profit and Loss.

w) Impairment

i) Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at FVOCI- debt investments.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days or more past due.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet -

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to the Statement of Profit and Loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii) Impairment of non-financial assets

The Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment. For impairment testing, assets that do not generate independent cash inflows are combined together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

3 Property, plant and equipment

	Freehold land (refer note b)	Leasehold land (refer note b)	Buildings (refer note b)	Computers	Office equipment	Furniture and fixtures	Leasehold improvements	Vehicles (refer note a)	Total
Gross block									
Balance as at 1 April 2018	270	1,608	13,704	11,146	9,152	6,256	4,264	207	46,607
Additions pursuant to business combination under common control (refer note 36 (A) and 36 (B))	-	-	-	40	8	10	43	-	101
Additions	-	2	4,750	2,299	2,739	1,447	540	2	11,779
Disposals	-	-	-	(1,056)	(545)	(257)	(1,335)	(52)	(3,245)
Reclassifications	-	-	-	2	(2)	-	-	-	-
Other adjustment*	-	-	-	1	-	-	-	-	1
At 31 March 2019	270	1,610	18,454	12,432	11,352	7,456	3,512	157	55,243
Transferred to right-of-use assets	-	(1,610)	-	-	-	-	-	(45)	(1,655)
Additions	-	-	1,229	2,000	1,387	915	509	-	6,040
Disposals	-	-	-	(1,091)	(227)	(159)	(398)	(2)	(1,877)
Other adjustment*	-	-	-	2	-	1	-	-	3
At 31 March 2020	**270**	**-**	**19,683**	**13,343**	**12,512**	**8,213**	**3,623**	**110**	**57,754**
Accumulated depreciation									
Balance as at 1 April 2018	-	(146)	(2,830)	(8,926)	(6,885)	(4,545)	(3,240)	(134)	(26,706)
Charge for the year	-	(19)	(502)	(1,654)	(1,230)	(429)	(357)	(34)	(4,225)
Disposals	-	-	-	1,055	511	222	1,255	42	3,085
Other adjustment*	-	-	-	(1)	-	-	-	-	(1)
At 31 March 2019	-	(165)	(3,332)	(9,526)	(7,604)	(4,752)	(2,342)	(126)	(27,847)
Transferred to right-of-use assets	-	165	-	-	-	-	-	30	195
Charge for the year	-	-	(595)	(1,888)	(1,203)	(509)	(420)	(10)	(4,625)
Disposals	-	-	-	1,059	208	144	354	2	1,767
Other adjustment*	-	-	-	(2)	-	(1)	-	-	(3)
At 31 March 2020	**-**	**-**	**(3,927)**	**(10,357)**	**(8,599)**	**(5,118)**	**(2,408)**	**(104)**	**(30,513)**
Net block									
At 31 March 2019	270	1,445	15,122	2,906	3,748	2,704	1,170	31	27,396
At 31 March 2020	**270**	**-**	**15,756**	**2,986**	**3,913**	**3,095**	**1,215**	**6**	**27,241**

a) Details of assets taken on finance lease included in the table above

	Vehicles As at 31 March 2019
Gross block	
Opening balance	79
Disposals	(34)
Closing balance	45
Accumulated depreciation	
Opening balance	(45)
Charge for the year	(15)
Disposals	30
Closing balance	(30)
Net block	15

b) Freehold land, leasehold land and buildings of gross block Rs. 2,734 (31 March 2019 : Rs. 2,912) and accumulated depreciation amounting to Rs. 1,024 (31 March 2019 : 955) is pending registration in the name of the Company pursuant to merger of Capgemini India Private Limited with the Company.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

4 Right-of-use assets

Carrying value of right-of-use assets at the end of the reporting period by class

	Leasehold land (refer note a)	Building	Computer Equipment	Vehicles	Total
Gross Block					
Balance as at 1 April 2019	-	-	-	-	-
Addition on account of transition to Ind AS 116	1,445	8,370	48	31	9,894
Additions	-	1,980	-	5	1,985
Disposals / termination	-	(404)	-	(19)	(423)
Other adjustments*	-	1	-	-	1
At 31 March 2020	**1,445**	**9,947**	**48**	**17**	**11,457**
Accumulated depreciation					
Balance as at 1 April 2019	-	-	-	-	-
Charge for the year	(17)	(2,009)	(30)	(18)	(2,074)
Disposals / termination	-	88	-	17	105
At 31 March 2020	(17)	(1,921)	(30)	(1)	(1,969)
Net Block					
At 1 April 2019	-	-	-	-	-
At 31 March 2020	**1,428**	**8,026**	**18**	**16**	**9,488**

*Other adjustment refers to adjustment pertaining to foreign exchange on conversion of foreign operations

a) Leasehold land of gross block Rs. 178 and accumulated depreciation amounting to Rs. 17 is pending registration in the name of the Company pursuant to merger of Capgemini India Private Limited with the Company.

Amounts recognised in Statement of Profit and Loss

Particulars	2019-20
Gain on lease modifications	42
Interest on lease obligations	660
Amortisation of right-of-use assets	2,074

Amounts recognised in Statement of Profit and Loss

Particulars	2019-20
Interest on lease obligations	(660)
Payment of lease liabilities (including interest)	(1,748)

Transition to Ind AS 116:

The Group adopted Ind AS 116 with effect from 1 April 2019 and applied the standard to its leases, using the modified retrospective approach, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1 April 2019). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019.

For transition, the Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Group has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right-of-use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

The Group has used a single discount rate to a portfolio of leases with similar characteristics. The Group has elected not to separate lease and non - lease components for certain categories of underlying asset (notably the vehicle fleet) and to recognize the entire contract as a single lease component

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous financial years to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities.

The Group recognised Rs. 8,434 as right-of-use assets and Rs. 8,988 as lease liability in the balance sheet on the date of transition i.e. 1 April 2019. The cumulative effect on transition in retained earnings is Rs. 56.

The weighted average incremental borrowing rate of 8.62% have been applied to lease liabilities recognised in the balance sheet at the date of initial application.

Finance Lease:

The Group has leases that were classified as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of Ind AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying Ind AS 17. Accordingly, an amount of Rs. 1,460 has been reclassified from property, plant and equipment to right-of-use assets. An amount of Rs. 7 has been reclassified from other current financial liabilities to lease liability current and an amount of Rs. 10 has been reclassified from other non-current financial liabilities to lease liability – non-current.

The reconciliation of the Group’s commitment towards all its future minimum rental payments under non cancellable operating leases as at 31 March 2019 and lease liability recognized as per Ind AS 116 as at 1 April 2019 is as follows:

Particulars	Amount
Lease commitments as at 31 March 2019	13,868
Exclusion of non lease components	(2,270)
Others	102
Discounting impact	(2,712)
Lease liabilities as on 1 April 2019	8,988
Reclassification of present value of finance lease liabilities at 31 March 2019	17
Lease liabilities as on 1 April 2019	9,005

The first-time application of Ind AS 116 therefore had the following impacts at 1 April 2019 :

Particulars	Amount
Increase in lease liability by	8,988
Increase in right-of-use assets by	8,434
Decrease in CWIP	44
Decrease in lease equalisation reserve	594
Increase in retained earnings	56
Increase/Decrease in deferred tax assets by	60

Impact of COVID-19

The Group does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Group has entered with lessors towards properties used as delivery centers / sales offices are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

5 Capital work-in-progress

At 1 April 2018	7,180
Additions	7,382
Capitalisation	(12,013)
At 31 March 2019	2,549
Transferred to right-of-use assets	(44)
Additions	4,257
Capitalisation	(6,096)
At 31 March 2020	**666**

6 Intangible assets

	Goodwill	Computer software	Total
Gross block			
Balance as at 1 April 2018	641	2,984	3,625
Additions pursuant to business combination under common control (refer note 36 (A) and 36 (B))	-	6	6
Additions	-	234	234
Disposals	-	(105)	(105)
At 31 March 2019	641	3,119	3,760
Additions	-	56	56
Disposals	-	(36)	(36)
At 31 March 2020	**641**	**3,139**	**3,780**
Amortisation			
Balance as at 1 April 2018	(169)	(2,657)	(2,826)
Charge for the year	-	(240)	(240)
Disposals	-	105	105
At 31 March 2019	(169)	(2,792)	(2,961)
Charge for the year	-	(200)	(200)
Disposals	-	8	8
At 31 March 2020	(169)	(2,984)	(3,153)
Net block			
At 31 March 2019	472	327	799
At 31 March 2020	**472**	**155**	**627**

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

		31 March 2020	31 March 2019
7	**Loans**		
	Non-current		
	Unsecured, considered good		
	Loans to related parties (refer note 40)	**398**	-
8	**Other financial assets**		
	Non-current		
	Unsecured, considered good		
	Security deposits	**1,382**	1,199
	Unsecured, considered doubtful		
	Security deposits	**31**	31
	- Less: Provision for doubtful deposits	**(31)**	(31)
		1,382	1,199
9	**Deferred tax assets (net)**		
	Deferred tax liabilities		
	Cash flow hedges	**-**	28
	Others	**216**	141
		216	169
	Deferred tax assets		
	Cash flow hedges	**67**	-
	Property, plant and equipment and intangible assets	**3,726**	5,455
	Provisions - employee benefits	**3,192**	2,443
	Provision for doubtful trade receivables	**258**	243
	Merger expenses	**42**	158
	MAT credit carried forward	**5,166**	6,742
	Others	**7**	5
		12,458	15,046
	Net deferred tax asset (refer note 35(e))	**12,242**	14,877
10	**Other non-current assets**		
	Capital advances	**24**	206
	Prepaid expenses	**442**	545
	Prepayment of pension liability	**21**	21
	Balances with statutory/government authorities (VAT/ Service tax credit receivable)	**794**	626
	Deferred contract costs	**85**	-
		1,366	1,398

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

11 Investments

	31 March 2020	31 March 2019
Current		
Investment carried at Fair Value Through Profit and Loss Mutual Funds (quoted)		
719,529 (31 March 2019 - 925,921) units in Axis Liquid fund direct plan growth	**1,586**	1,920
634,512 (31 March 2019 - 1,233,450) units in Invesco Liquid Fund - Direct Plan Growth	**1,731**	3,173
530,290 (31 March 2019 - 977,094) units in HDFC Liquid Fund Direct Plan Growth Option	**2,072**	3,594
1,545,593 (31 March 2019 - 686,511) units in IDFC Cash Fund -Regular Plan-Growth Direct Plan	**3,712**	1,556
61,636,075 (31 March 2019 - 44,221,753) units in IDFC Low Duration Fund Growth - Direct Plan	**1,781**	1,183
6,353,105 (31 March 2019 - 5,313,217) units in ICICI Prudential Saving Fund- Direct Plan - Growth	**2,480**	1,919
8,190,760 (31 March 2019 - 9,910,430) units in ICICI Prudential Liquid - Regular Plan - Growth Direct Plan	**2,406**	2,739
Nil (31 March 2019 - 3,575,862) units in Aditya Birla Sun Life Savings Fund-Growth - Direct plan	**-**	1,329
11,786,425 (31 March 2019 - 16,727,800) units in Aditya Birla Sun Life Liquid Fund-Growth - Direct Plan (formerly Aditya Birla Sun Life Cash Plus - Growth Direct Plan)	**3,766**	5,026
860,907 (31 March 2019 - 736,807) units in Tata Liquid Fund Direct Plan Growth	**2,696**	2,169
Nil (31 March 2019 - 131,507) units in Kotak Low Duration Fund Direct Growth	**-**	313
52,245,265(31 March 2019 - 67,920,312) units in Kotak Savings Fund-Growth - Direct (formerly Kotak Treasury Advantage Direct Plan Growth)	**1,716**	2,075
728,941 (31 March 2019 - 548,085) units in HSBC Cash Fund Growth Direct Plan	**1,441**	1,020
19,209,449 (31 March 2019 - 19,209,449) units in HDFC Floating Rate Debt Fund - Direct Plan-Growth Plan	**680**	628
476,169 (31 March 2019 - 315,830) units in Axis Treasury Advantage Fund - Direct Growth	**1,107**	678
18,421,946 (31 March 2019 - 5,983,735) units in ICICI Prudential Money Market Fund - Direct Plan - Growth	**5,145**	1,557
315,355 (31 March 2019 - 705,704) units in Kotak Liquid Direct Plan Growth	**1,266**	2,671
"4,639,520 (31 March 2019 - 3,629,180) units in Aditya Birla Sun Life Floating Rate Fund - Growth-Direct Plan"	**1,171**	913
1,277,720 (31 March 2019 - 191,051) units in Kotak Money Market Scheme - Growth	**4,233**	590
158,573,449 (31 March 2019 - Nil) units in IDFC Corporate Bond Fund Direct Plan- Growth	**2,214**	-
71,138 (31 March 2019 - Nil) units in SBI Magnum Ultra Short Duration Fund Direct Growth	**319**	-
211,828 (31 March 2019 - Nil) units in Invesco India Treasury Advantage Fund - Direct Plan Growth	**606**	-
1,177,450 (31 March 2019 - Nil) units in Aditya Birla Sun Life Savings Fund-Growth - Direct Plan	**472**	-
210,323,525 (31 March 2019 - Nil) units in HDFC Ultra Short Term Fund Direct Growth	**2,368**	-
73,950,674 (31 March 2019 - Nil) units in IDFC Ultra Short Term Fund - Direct Plan - Growth	**844**	-
8,735,114 (31 March 2019 - Nil) units in Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan (formerly known as Aditya Birla Sun Life Floating Rate Fund Short Term Plan)	**2,367**	-
294,388 (31 March 2019 - Nil) units in Invesco India Money Market Fund - Direct Plan Growth	**681**	-
538,486 (31 March 2019 - Nil) units in Nippon India Liquidity Fund Direct Plan Growth Plan Growth Option	**2,612**	-
526,981 (31 March 2019 - Nil) units in SBI Liquid Fund Direct Growth	**1,639**	-
167,585 (31 March 2019 - Nil) units in DSP Liquidity Fund- Direct Plan Growth	**476**	-
Nil (31 March 2019 - 388,145) units in Reliance Low Duration Fund- Direct Plan Growth plan - Growth Option - LPAG (formerly Reliance Money Manager Fund- Direct Growth Plan)	**-**	1,024
Nil (31 March 2019 - 360,971) units in Reliance Liquidity Fund Direct Growth Plan Growth Option (formerly Reliance Liquidity Fund Treasury Plan Direct Growth Plan Growth Option)	**-**	1,647
Nil (31 March 2019 - 32,624,142) units in DSP Black Rock Low Duration Fund - Direct plan- Growth (formerly DSP Black Rock Ultra Short Term Fund Direct Plan Growth)	**-**	449
7,120 (31 March 2019– 18,736) units in Birla sun Life Cash Plus - Growth -Direct Plan	**2**	6
	53,589	38,179

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

Note - The Group holds non-current investments in 10 (31 March 2019 :10) shares of Rs. 10 each of The Kapol Co-operative Bank Limited and 1530 (31 March 2019 :1530) shares of Rs. 10 each of The Saraswat Co-operative Bank Limited. Since, these investments are lower than rounding off limit, these are not presented separately.

		31 March 2020	31 March 2019
12	**Trade receivables (unsecured)**		
	Trade receivables	**24,167**	22,693
	Less: allowance for doubtful receivables	**527**	467
	Considered good	**23,640**	22,226
	Trade receivables	**203**	203
	Less: allowance for doubtful receivables	**203**	203
	Credit impaired	**-**	-
		23,640	22,226

In determining the allowance for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix.

		31 March 2020	31 March 2019
	Trade receivables includes :		
	Dues from related party (refer note 40)	**19,899**	17,869
	Other receivables	**3,741**	4,357
13	**Cash and cash equivalents**		
	Cash on hand*	**-**	-
	Balance with banks :		
	In current accounts	**623**	1,253
	In EEFC accounts	**742**	808
	In deposits accounts**	**12,222**	15,672
	Remittances in transit	**532**	70
		14,119	17,803

* The amount of Rs. 117,367 (previous year Rs. 116,778) is below the rounding off limit in million
**The deposits maintained by the Group with banks and financial institutions comprise of time deposits including deposits with maturities more than three months, which can be withdrawn by the Group at any point without prior notice or penalty on the principal.

		31 March 2020	31 March 2019
14	**Bank balances other than cash and cash equivalents**		
	Current		
	Balance with banks :		
	Held as margin money with custom authorities	**2**	2

Deposit accounts include restricted bank balances Rs. 1.57 held as margin money deposit against guarantee and Rs.0.1 held as margin money against Uttar Pradesh VAT.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

		31 March 2020	31 March 2019
15	**Loans**		
	Current		
	Unsecured, considered good		
	Loans to related parties (refer note 40)	**6**	-
16	**Other financial assets**		
	Current		
	Unsecured, considered good		
	Derivative asset	**-**	102
	Security deposits	**488**	751
	Loans and advances to employees	**197**	351
	Interest accrued on fixed deposit	**311**	273
	Others	**660**	483
		1,656	1,960
17	**Other current assets**		
	Prepaid expenses	**1,233**	1,609
	Balances with Government authorities (GST credit receivable)	**1,478**	1,977
	Unbilled revenues	**5,952**	3,191
	Advance to vendors	**511**	118
	Other assets	**21**	-
		9,195	6,895
18	**Share capital**		
	Authorised:		
	250,050,000 (31 March 2019 - 249,950,000) equity shares of Rs. 10 each (refer Note below)	**2,501**	2,500
	10,800,000 (31 March 2019 - 10,800,000) compulsorily convertible preference shares ('CCPS') of Rs. 10 each	**108**	108
	14,000,000 (31 March 2019 - 14,000,000) 5% 10 year redeemable non-cumulative preference shares of Rs. 10 each	**140**	140
	Issued, subscribed and fully paid up:		
	59,139,500 (31 March 2019 - 59,139,500) equity shares of Rs. 10 each	**591**	591

Note - The authorised equity share capital of the Company was increased to 250,050,000 equity shares of Rs. 10 each from 249,950,000 equity shares of Rs. 10 each pursuant to approval of the Scheme of Amalgamation of Tcube Software Solutions Private Limited vide order of National Company Law Tribunal, Mumbai bench dated 22 October 2019 from the effective date of order.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

a. Reconciliation of shares outstanding at the beginning and at the end of the year:

	31 March 2020		31 March 2019	
	Number of shares	**Amount**	Number of shares	Amount
Balance as at the beginning of the year	**59,139,500**	**591**	59,139,500	591
Add: Issued during the year	**-**	**-**	-	-
Balance as at the end of the year	**59,139,500**	**591**	59,139,500	591

b. Right, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Each holder of equity shares is entitled to one vote per share. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. The Company declares and pays dividends in Indian rupees. Any dividends proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each shareholder.

c. Shares held by parent / ultimate parent company and its subsidiary

Out of total shares issued by the Company, shares held by the parent company, ultimate parent company and their subsidiaries are as below:

	31 March 2020		31 March 2019	
	Number of shares	**Amount**	Number of shares	Amount
Equity shares of Rs. 10 each, fully paid-up, held by				
Capgemini SE, ultimate parent company	**20,750,621**	**208**	7,090,662	71
Capgemini America Inc., subsidiary of Capgemini North America Inc.	**25,487,362**	**255**	25,487,362	255
PAN-Asia Solutions, Mauritius, subsidiary of Capgemini America Inc.	**-**	**-**	13,659,959	137
Capgemini North America Inc. subsidiary of ultimate parent company	**12,764,378**	**128**	12,764,378	128
Balance as at the end of the year	**59,002,361**	**591**	59,002,361	591

d. Details of shares held by shareholders holding more than 5% of aggregate shares in the Company

	31 March 2020		31 March 2019	
	Number of shares	**% of total shares in the class**	Number of shares	% of total shares in the class
Equity shares of Rs. 10 each, fully paid-up, held by				
Capgemini SE, ultimate parent company	**20,750,621**	**35.09%**	7,090,662	11.99%
Capgemini America Inc., subsidiary of Capgemini North America Inc.	**25,487,362**	**43.10%**	25,487,362	43.10%
PAN-Asia Solutions, Mauritius, subsidiary of Capgemini America Inc.	**-**	**-**	13,659,959	23.10%
Capgemini North America Inc. subsidiary of ultimate parent company	**12,764,378**	**21.58%**	12,764,378	21.58%

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

e. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	Number of shares
Equity shares of Rs. 10 each bought back by the Company (see note (i) below)	2,871,871
Equity shares of Rs. 10 each issued as consideration towards amalgamation of IGATE Information Services Private Limited (see note (ii) below)	566,758

Note:

(i) *Buyback*

On 16 June 2014, the Board of Directors approved a buyback proposal for purchase by the Company of up to 2,873,019 fully paid-up equity shares of face value of Rs.10 each (representing 9.8% of the total equity share capital) from the shareholders of the Company on a proportionate basis at a price of Rs. 2,261 per equity share for an aggregate amount not exceeding Rs. 6,496. Pursuant to the above, the Company bought back 2,871,871 equity shares and utilised Rs. 6,464 by utilising free reserves.

(ii) *Merger of IGATE Information Services Private Limited with the Company*

During the year ended 31 March 2015 erstwhile IGATE Information Services Private Limited was merged with the Company pursuant to which 566,758 equity shares of Rs.10 each of the Company were allotted to the shareholders of IGATE Information Service Private Limited as complete settlement of the purchase consideration.

	31 March 2020	31 March 2019
19 Lease liabilities		
Non-current		
Lease liabilities	**7,198**	-
20 Other non-current financial liabilities		
Long term maturities of finance lease obligations (refer note (i))	**-**	7
Amounts payable under employees stock option plan	**784**	850
Bonus payable	**4**	4
	788	861

Note:

(i) Current maturities of finance lease obligations have been disclosed under 'other current financial liabilities' (refer note 25). Lease obligations relate to vehicles purchased under a financing arrangement. The loans are secured by vehicles acquired under such lease arrangements and are repayable in monthly installments over a period of three to five years along with interest ranging from 12.5% to 13.5% p.a.(refer Note 41(a)).

21 Provisions		
Non-current		
Provision for employee benefits		
Gratuity (refer note 38(a))	**3,188**	2,213
Other defined benefit obligation (refer note 38 (c))	**4,475**	597
Compensated absences (refer note 38(d))	**14**	12
Other provision		
Provision for contingencies (refer note (a) below)	**396**	396
	8,073	3,218

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

		31 March 2020	31 March 2019
(a)	**Movement in provision for contingencies**		
	Balance as at the beginning of the year	**396**	396
	Additions	**-**	-
	Balance as at the end of the year	**396**	396
	Current	**-**	-
	Non Current	**396**	396
		396	396

Provision for contingencies as at balance sheet date is on account of certain service tax related matters on input services amounting to Rs. 396 (31 March 2019 - Rs. 396).The provision is based on best estimate of the liability, as estimated by the Management and cash outflow if any, will depend on the ultimate outcome of the respective litigation.

		31 March 2020	31 March 2019
22	**Other non-current liabilities**		
	Lease equalisation reserve	**-**	530
23	**Trade and other payables**		
	Due to micro and small enterprises (refer note 46)	**17**	19
	Due to other than micro and small enterprises	**5,879**	8,539
		5,896	8,558
24	**Lease liabilities**		
	Current		
	Lease liabilities	**1,687**	-
25	**Other financial liabilities**		
	Current		
	Current maturities of finance lease obligations (refer note 41 (a))	**-**	10
	Capital creditors and other payables	**841**	1,250
	Interest accrued under MSMED Act, 2006 (refer note 46)	**39**	36
	Payable for retention money	**414**	391
	Amounts payable under employees stock option plan	**497**	443
	Bonus and incentives	**1,320**	1,491
	Employees salaries payable	**678**	685
	Derivative liability	**243**	-
	Other financial liabilities	**339**	250
		4,371	4,556

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

		31 March 2020	31 March 2019
26	**Other current liabilities**		
	Unearned revenue	**310**	202
	Lease equalisation reserve	**-**	93
	Advance from customers	**-**	12
	Book overdraft	**9**	-
	Statutory dues payable*	**3,293**	3,207
		3,612	3,514
	There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
	*Statutory dues payable comprises of -		
	Goods and Services Tax payable	**377**	507
	Tax Deducted at Source payable	**2,184**	2,046
	Provident Fund payable	**705**	611
	Profession Tax payable	**18**	19
	Employees State Insurance payable	**9**	19
	Others	**-**	5
		3,293	3,207
27	**Provisions**		
	Current		
	Provision for employee benefits		-
	Compensated absences (refer note 38(d))	**5,214**	4,449
	Gratuity (refer note 38(a))	**28**	24
	Other defined benefit obligation (refer note 38(c))	**486**	6
		5,728	4,479
28	**Revenue from operations**		
	Revenue from software operations	**151,715**	140,427

Revenue from software services includes Rs.8,730 (previous year Rs.8,982) towards out of pocket expenses reimbursed by the customers.

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by contract type and geography :

Revenue by contract type :		
Time & material contracts	**145,256**	133,569
Fixed price contracts	**6,036**	6,559
Fixed price maintenance contracts	**423**	299
Total	**151,715**	140,427

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

	31 March 2020	31 March 2019
Revenue by geography:		
America	**65,173**	59,790
Europe	**61,747**	57,802
India	**17,284**	16,175
Rest of the world	**7,511**	6,660
Total	**151,715**	140,427
Reconciliation of revenue recognized with the contracted price is as follows :		
Contracted price	**151,931**	140,646
Discounts	**216**	219
Revenue recognised	**151,715**	140,427

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2020 is Rs 5,015 (31 March 2019 : Rs 4,437). Out of this, the Group expects to recognize revenue of around 77.9% (31 March 2019 : 68.9%) within the next one year and the remaining thereafter.

The Group has presented contract assets as “unbilled revenues” in other current assets and contract liabilities as “unearned revenues” in other current liabilities in the balance sheet.

	31 March 2020		31 March 2019	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Balances as at the end of the year	**5,952**	**(310)**	3,191	(202)

Changes in contract assets and liabilities in respective financial years are due to the following factors:
- timing differences between revenue recognition, billing and collection, leading to the recognition of trade receivables and contract assets;
- the receipt of advances from customers, leading to the recognition of contract liabilities (advances from customers and billed in advance).

29 Other income, net

Interest on deposits with banks	**1,089**	359
Other interest (including interest on income tax and service tax refunds)	**150**	3
Profit on sale of subsidiary (refer note (i) below)	**10**	-
Income on mutual funds	**3,041**	3,342
Provisions no longer required written back	**-**	124
Provision for doubtful trade receivables written back	**-**	107
Profit on sale / disposal of assets (net)	**77**	-
Export incentives	**926**	312
Other miscellaneous income	**470**	128
Net gain on foreign currency transactions	**13**	-
	5,776	4,375

(i) On 26 June 2019, the Group sold 3,100 shares of Liquidhub Sp. z.o.o., subsidiary company, to Capgemini Polska Sp. z.o.o. for a consideration of Rs.37.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

		31 March 2020	31 March 2019
30	**Employee benefits expense**		
	Salaries, bonus and incentives	**92,097**	83,653
	Contribution to provident and other funds	**4,155**	3,570
	Retirement benefits expense (refer note 38(a) & 38(b))	**1,305**	984
	Compensated absences	**1,540**	1,337
	Employee stock compensation expense (refer note 47)	**773**	998
	Staff welfare expenses	**845**	923
		100,715	91,465
31	**Finance costs**		
	Interest on lease obligations	**660**	13
	Interest under MSMED Act, 2006	**3**	4
	Interest on Tax	**83**	90
		746	107
32	**Depreciation and amortisation expenses**		
	Depreciation of property, plant and equipment (refer note 3)	**4,625**	4,225
	Amortisation of right-of-use assets (refer note 4)	**2,074**	-
	Amortisation of intangible assets (refer note 6)	**200**	240
		6,899	4,465
33	**Other expenses**		
	Sub-contracting expenses	**3,283**	3,459
	Repairs and maintenance:		
	- Buildings	**819**	722
	- Computer and network maintenance	**668**	731
	- Office maintenance	**1,198**	1,224
	- Others	**105**	134
	Rent	**676**	3,152
	Rates and taxes	**510**	181
	Insurance	**59**	57
	Power and fuel	**1,195**	1,450
	Advertisement and sales promotion	**84**	80
	Communication	**794**	611
	Travelling and conveyance	**8,300**	8,801
	Legal and professional charges	**806**	843
	Bank charges	**43**	39
	Auditors' remuneration (refer note 45)	**22**	22

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

	31 March 2020	31 March 2019
Merger and reorganization expenses	**14**	53
Expenditure towards corporate social responsibility initiatives (refer note 48)	**359**	193
Software and hardware expenses	**1,894**	2,134
Stationery and printing expenses	**63**	85
Provision for doubtful trade receivables	**60**	-
Bad trade receivables written off	**66**	84
Group management fee	**1,136**	1,201
Training and recruitment	**2,181**	1,946
Directors sitting fees	**1**	1
Net loss on foreign currency transactions	**-**	17
Miscellaneous expenses	**600**	414
	24,936	27,634

34 Statement of other comprehensive income

(i) Items that will not be reclassified subsequently to Statement of Profit and Loss		
Remeasurement loss on defined benefit plans	**(4,449)**	(1,345)
Income tax relating to above item	**1,035**	506
(ii) Items that will be reclassified subsequently to Statement of Profit and Loss		
The effective portion of (loss) / gain on hedging instruments accounted for as cash flow hedges	**(271)**	72
Income tax relating to above item	**95**	(25)
Exchange differences on translation of foreign operations	**248**	(39)

35 Tax expense

(a) Income tax expense recognised in the Consolidated Statement of Profit and Loss:

1. Current income tax	**5,317**	4,052
2. Deferred income tax		
Deferred tax	**2,309**	1,392
MAT Credit	**-**	(236)
	2,309	1,156
Tax expense for the year	**7,626**	5,208

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

(b) Income tax expense recognised in other comprehensive income:

	31 March 2020			31 March 2019		
	Before tax	**Tax (expense) / benefit**	**Net of tax**	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified subsequently to Statement of Profit and Loss						
Remeasurement (loss)/ gain on defined benefit plans	**(4,449)**	**1,035**	**(3,414)**	(1,345)	506	(839)
Items that will be reclassified subsequently to Statement of Profit and Loss						
Effective portion of gains / (loss) on hedging instruments accounted for as cash flow hedges	**(271)**	**95**	**(176)**	72	(25)	47
Exchange differences on translation of foreign operations	**248**	**-**	**248**	(39)	-	(39)
	(4,472)	**1,130**	**(3,342)**	(1,312)	481	(831)

(c) Reconciliation of effective tax rate

	31 March 2020	31 March 2019
Profit before tax	**24,195**	21,131
Tax using the Group's domestic tax rate (Current year and previous year 34.944%)	**8,455**	7,384
Tax effect of:		
Tax effect due to income tax holidays	**(1,455)**	(1,525)
Expenses not deductible for tax purposes	**225**	79
Impact of indexation and lower tax rates on sale of branches / subsidiaries	**(61)**	(19)
Income taxes relating to prior years	**2**	(745)
Effect of change in tax rates	**526**	-
Others	**(66)**	34
Total income tax expense	**7,626**	5,208
Effective Tax Rate	**32%**	25%

The Company is eligible to claim income tax holiday on profits derived from the export of software services from divisions registered under Special Economic Zone ("SEZ") 2005 scheme and profits and gains derived from business of developing a Special Economic Zone u/s 80-IAB . Profits derived from the export of software services from the divisions registered under the SEZ scheme are eligible for a 100% tax holiday during the initial five consecutive assessment years, followed by 50% for further five years and 50% of such profits or gains for the balance period of five years subject to fulfilment of certain conditions from the date of commencement of operations by the respective SEZ units. In addition to this, the Company is also eligible to claim income tax holiday on profits and gains derived from business of developing a Special Economic Zone u/s 80-IAB. Profit derived from the business of developing a Special Economic Zone can be claimed as deduction equal to 100% of the profits and gains derived from such business for a period of ten consecutive assessment years. The total impact of tax holiday units and developer unit resulted in tax benefit of Rs. 1,455 and Rs. 1,525 for current and previous year respectively. The tax relief holiday will begin to expire from FY 2023-24 through FY 2033-34.

The Special Economic Zone (SEZ) Re-investment Reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Section 10AA(1)(ii) of the Income-tax Act, 1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in the terms of Section 10AA(2) of the Income-tax Act, 1961. During the year, a net amount of Rs. 242 (31 March 2019 : Rs. 54) was transferred to SEZ Re-investment Reserve net of utilisation.

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('the Ordinance') issued on 20 September 2019 and which is effective 1 April 2019, domestic companies have an option to pay corporate tax rate at 22% plus applicable surcharge and cess (new tax rate) subject to certain conditions.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

Capgemini Technology Services India Limited has made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure till the Company has utilised its accumulated Minimum Alternate Tax (MAT) Credit. However, in accordance with the accounting standards, the Company has evaluated the deferred tax asset balance as on 31 March 2020 and has reversed an amount of Rs. 526 through the Statement of Profit and Loss and Rs. 481 through other comprehensive income pertaining to re-measurement of deferred tax asset that is expected to reverse in the period subsequent to Company migrating to the new tax regime.

(d) Income tax assets and liabilities

	31 March 2020	31 March 2019
Income tax assets (net)*	**8,064**	7,264
Income tax liabilities (net)	**1,453**	1,447

* Includes deposits paid under dispute of Rs. 5,090 (31 March 2019 - Rs. 4,891)

(e) Movement in deferred tax balances

	Net balance 1 April 2019	Impact on adoption of Ind AS 116	Recognised in Statement of Profit and Loss	Recognised in OCI	MAT utilisation	Net balance 31 March 2020
Deferred tax liability						
Others	**141**	**(60)**	**135**	**-**	**-**	**216**
	141	**(60)**	**135**	**-**	**-**	**216**
Deferred tax asset						
Cash flow hedges	**(28)**	**-**	**-**	**95**	**-**	**67**
Property, plant and equipment and intangible assets	**5,455**	**-**	**(1,729)**	**-**	**-**	**3,726**
Provisions - employee benefits	**2,443**	**-**	**(286)**	**1,035**	**-**	**3,192**
Provision for doubtful trade receivables	**243**	**-**	**15**	**-**	**-**	**258**
Merger expenses	**158**	**-**	**(116)**	**-**	**-**	**42**
MAT Credit carried forward	**6,742**	**-**	**(60)**	**-**	**(1,516)**	**5,166**
Others	**5**	**-**	**2**	**-**	**-**	**7**
	15,018	**-**	**(2,174)**	**1,130**	**(1,516)**	**12,458**
Deferred tax asset (net)	**14,877**	**60**	**(2,309)**	**1,130**	**(1,516)**	**12,242**

	Net balance 1 April 2018	Additions pursuant to business combination under common control (refer note 36 (A) and 36 (B))	Recognised in Statement of Profit and Loss	Recognised in OCI	Net balance 31 March 2019
Deferred tax liability					
Cash flow hedges	3	-	-	25	28
Others	169	-	(28)	-	141
	172	**-**	**(28)**	**25**	**169**
Deferred tax asset					
Property, plant and equipment and intangible assets	7,165	8	(1,718)	-	5,455
Provisions - employee benefits	1,555	31	351	506	2,443
Provision for doubtful trade receivables	269	1	(27)	-	243
Merger expenses	193	-	(35)	-	158
MAT credit carried forward	6,405	94	243	-	6,742
Others	-	3	2		5
	15,587	**137**	**(1,184)**	**506**	**15,046**
Deferred tax asset (net)	**15,415**	**137**	**(1,156)**	**481**	**14,877**

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

Effective 1 April 2019 the Group started utilising accumulated MAT credit and during the year the Group has utilized a MAT credit of Rs.1,516.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of future taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

The Company has not recognized deferred tax liability on undistributed profits amounting to Rs. 2,673 as at 31 March 2020 and Rs.1,801 as at 31 Mar 2019 of its subsidiaries as it is able to control the timing of the reversal of temporary differences associated with such undistributed profits and it is probable that such differences will not reverse in the foreseeable future.

36 (A) Acquisition of Liquidhub Analytics Private Limited

On 25 November 2019, CTSIL acquired 100 percent of the equity shares of Liquidhub Analytics Private Limited (LHA), from Capgemini America Inc., parent company of CTSIL, for a purchase consideration of Rs. 2,299. LHA was a wholly owned subsidiary of Capgemini America Inc. since 28 February 2018.

Since LHA was subsidiary of the parent company of CTSIL, and as the combining entities are controlled by the same party both before and after the acquisition, the said acquisition is accounted for under the “Pooling of Interest” method as prescribed under Ind AS 103 ‘Business Combinations’ for companies under common control.

Under ‘Pooling of Interest’ method, the assets and liabilities of the combining entities are reflected at their carrying amount. No adjustments are made to reflect fair values or recognise any new assets or liabilities. Further the financial information in the financial statements of the Group in respect of prior period should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements of the Group, irrespective of the actual date of combination. However, if business combination had occurred after that date, the prior period information should be restated only from that date.

As LHA was part of common control since 28 February 2018, the assets, liabilities and reserves of LHA were merged with the Group at their carrying values as on 1 April 2018 being the beginning of the preceding period in the financial statements.

- all the assets, liabilities and reserves are consolidated in the Company at their respective book values under the respective accounting heads of the Company
- all inter-company balances and transactions were eliminated.
- As on 1 April 2018, the difference between the assets and liabilities including reserves of Rs. 78 is credited to capital reserve for comparative purpose in accordance with Ind AS 103 ‘Business Combinations’ for companies under common control.

The consideration paid to purchase LHA of Rs. 2,299, on 25 November 2019, is debited to the retained earnings in the financial year 2019 20.

The assets, liabilities and reserves consolidated as at 1 April 2018 are as follows-

Particulars	Amount
Fixed assets (Net)	79
Financial assets	
- Others	19
Deferred tax assets (net)	33
Other non current assets	7
Trade receivables	327
Cash and bank equivalents	369
Income tax assets (net)	40
Other current assets	119
Total assets acquired (A)	**993**

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

Particulars	Amount
Non-current liabilities	78
Current liabilities	
- Trade payables	104
- Other current liabilities	92
Income tax liabilities (net)	12
Total liabilities acquired (B)	**286**
Net assets acquired (A-B)	**707**
Reserves taken over	
General reserve	15
Retained earnings	604
Other comprehensive reserve	8
Total reserves acquired	**627**
Securities premium	41
Share capital of subsidiary company	37
Capital reserve arising on business combination under common control	**(78)**

36 (B) Acquisition of Liquidhub India Private Limited

On 28 November 2019, CTSIL acquired 100 percent of the equity shares of Liquidhub India Private Limited (LHI), from Capgemini America Inc., parent company of CTSIL, for a purchase consideration of Rs.1,815. LHI was a wholly owned subsidiary of Capgemini America Inc. since 28 February 2018.

Since, LHI was subsidiary of the parent company of CTSIL, and as the combining entities are controlled by the same party both before and after the acquisition, the said acquisition is accounted for under the “Pooling of Interest” method as prescribed under Ind AS 103 ‘Business Combinations’ companies under common control.

Under ‘Pooling of Interest’ method, the assets and liabilities of the combining entities are reflected at their carrying amount. No adjustments are made to reflect fair values or recognise any new assets or liabilities. Further the financial information in the financial statements of the Group in respect of prior period should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements of the Group, irrespective of the actual date of combination. However, if business combination had occurred after that date, the prior period information should be restated only from that date.

As LHI was part of common control since 28 February 2018, the assets, liabilities and reserves of LHI were merged with the Group at their carrying values as on 1 April 2018 being the beginning of the preceding period in the financial statements.

- all the assets, liabilities and reserves are consolidated in the Company at their respective book values under the respective accounting heads of the Company
- all inter-company balances and transactions were eliminated.
- As on 1 April 2018, the difference between the assets and liabilities including reserves of Rs. 0.1 is credited to capital reserve for comparative purpose in accordance with Ind AS 103 ‘Business Combinations’ for companies under common control.

The consideration paid to purchase LHI of Rs. 1,815, on 28 November 2019, is debited to the retained earnings in the financial year 2019-20.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

The assets, liabilities and reserves consolidated as at 1 April 2018 are as follows-

Particulars	Amount
Fixed assets (Net)	28
Non current financial assets	
- Loans	27
- Others	2
Deferred tax assets (net)	104
Other non current assets	20
Trade receivables	832
Cash and bank equivalents	33
Income tax assets (net)*	-
Other current assets	50
Total assets acquired (A)	**1,096**
Non-current liabilities	5
Current liabilities	
- Trade payables	13
- Other current liabilities	93
Total liabilities acquired (B)	**111**
Net assets acquired (A-B)	**985**
Reserves taken over	
Retained earnings	985
Total reserves acquired	**985**
Cancellation of Share capital of subsidiary company *	-
Capital reserve arising on business combination under common control*	**-**

*amount below rounding off

37 Amalgamation of wholly owned subsidiary, TCube Software Solutions Private Limited

On 1 November 2017, CTSIL acquired 100 percent of the equity shares of TCube Software Solutions Private Limited (Tcube), a company engaged in providing software services and solutions for systems implementation, configuration, and maintenance and implementation services for a total consideration of Rs.519.

The Group followed acquisition method of accounting, while preparing the consolidated financial statements for the year 2017-18 and 2018-19. Consequently, difference between consideration paid and net value of assets as on 1 November 2017 of Rs. 463 was recognised as goodwill in the consolidated financial statements.

Subsequently, the Board of Directors, at their meeting held on 23 February 2018, approved the Scheme of Amalgamation (‘the Scheme’) of TCube with the CTSIL. CTSIL filed an application with the National Company Law Tribunal, Mumbai (NCLT) to merge TCube with the Company. NCLT approved the Scheme of Amalgamation on 22 October 2019 effective 1 April 2018 (appointed date).

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

38 Employee benefit plans

(a) Gratuity benefits

The Group operates a post employment benefit plan that provides for gratuity benefit to eligible employees. The gratuity plan entitles an employee, who has rendered at least five years of continuous services, to receive one-half month's salary for each year of completed service at the time of retirement / exit.

The following table summarises the components of net benefit expense recognised in the Consolidated Statement of Profit and Loss and the position of assets and obligations relating to the plan.

		31 March 2020	31 March 2019
Present Value of defined benefit obligation			
Projected benefit obligation at the beginning of the year		**5,988**	4,621
Projected benefit obligation assumed on acquisition (refer note 36 (A) and (B))		**-**	80
Current service cost		**1,174**	936
Interest cost		**396**	331
Benefits paid		**(638)**	(725)
Actuarial losses		**134**	745
Projected benefit obligation at the end of the year	**(A)**	**7,054**	5,988
Fair Value of plan asset			
Fair Value of plan assets at beginning of the year		**3,751**	3,683
Fair Value of plan assets assumed on acquisition (refer note 36 (A) and (B))		**-**	21
Contributions by employer		**450**	481
Expected return		**264**	282
Actuarial gains		**3**	1
Benefits paid		**(630)**	(717)
Fair Value of plan assets at end of the year	**(B)**	**3,838**	3,751
	(A-B)	**3,216**	2,237
Amount recognised in the Consolidated Balance Sheet			
Liabilities			
Current		**28**	24
Non-current		**3,188**	2,213
Included in OCI			
Opening amount recognised in OCI outside the Consolidated Statement of Profit and Loss		**(599)**	(1,344)
OCI recognized on account of acquisition (refer note 36 (A) and (B))		**-**	1
Actuarial loss/ (gain) arising from:			
Demographic assumptions		**(28)**	(17)
Financial assumptions		**342**	909
Experience adjustment		**(179)**	(147)
Return on plan assets excluding interest income		**(3)**	(1)
		(467)	(599)
Expense recognised in the Consolidated Statement of Profit and Loss			
Current service cost		**1,174**	936
Interest cost		**396**	331
Expected return on plan assets		**(264)**	(282)
Total included in "Employee benefits expense" (refer note 30)		**1,306**	985

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

The Group provides the gratuity benefit through annual contributions to a fund managed by a trust. Under this plan, the settlement obligation remains with the Group, although the trust administers the plan and determines the contribution required to be paid by the Group. The trust has invested the plan assets in the Insurer managed funds. The expected rate of return on plan assets is based on the expectation of the average long term rate of return expected on investments of the funds during the estimated term of the obligation. Expected contributions to the fund post 31 March 2020 is Rs. 802.

Category of Assets	**%**	%
Government debt instruments	**2%**	2%
Insurer managed funds	**96%**	96%
Others	**2%**	2%
The principal assumptions used in determining the gratuity benefit are shown below:		
Salary escalation rate	**6% - 7%**	7%
Discount rate	**5.65% - 6.85%**	7% - 7.66%
Expected rate of return on plan assets	**5.65% - 6.85%**	7% - 7.66%

The estimates of future salary increases, considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the long term yield on government bonds. Assumptions regarding future mortality are based on published statistics and mortality tables.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below -

(i) As of March 31, 2020, every 0.5 percentage point increase / (decrease) in discount rate will result in (decrease) / increase of gratuity benefit obligation by approximately Rs. (247) and Rs. 264 respectively.

As of March 31, 2019, every 0.5 percentage point increase / (decrease) in discount rate will result in (decrease) / increase of gratuity benefit obligation by approximately Rs. (208) and Rs. 221 respectively.

(ii) As of March 31, 2020 every 0.5 percentage point increase / (decrease) in expected rate of salary will result in increase / (decrease) of gratuity benefit obligation by approximately Rs. 260 and Rs. (247) respectively.

As of March 31, 2019 every 0.5 percentage point increase / (decrease) in expected rate of salary will result in increase / (decrease) of gratuity benefit obligation by approximately Rs. 222 and Rs. (209) respectively.

	31 March 2020
Expected benefit payments are as follows:	
Year ending 31 March	
2021	**865**
2022	**840**
2023	**794**
2024	**767**
2025	**718**
thereafter	**8,154**

(b) Pension benefits

Prepayment of pension liability

Certain employees who have elected to continue under the defined benefit scheme are entitled to a pension on retirement subject to vesting conditions of 45 years of age and 15 years of service. In the event of earlier cessation of employment a deferred pension is payable from the normal retirement date. Employee who retires from the service of the Company is entitled to a pension at the rate of 2% of pensionable Salary, "PENSAL" (last drawn Basic Salary plus Variable Pay, limited to 20% for eligible managers) for each year of management service, subject to a maximum of 70% of PENSAL. Pension as determined above is payable for a period of 15 years certain and thereafter during the lifetime of the Member. On his/her death in retirement or whilst in service, 66.67% of Member's pension is payable to the spouse during her/ his lifetime.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

Amount recognised in Balance Sheet		**31 March 2020**	31 March 2019
Present Value of defined benefit obligation			
Projected benefit obligation at the beginning of the year		**19**	16
Current service cost		**1**	1
Interest cost		**1**	1
Actuarial losses		**2**	1
Projected benefit obligation at the end of the year	**(A)**	**23**	19
Fair Value of plan assets			
Fair Value of plan assets at beginning of the year		**51**	45
Expected return		**3**	3
Contributions by the Company		**-**	3
Fair Value of plan assets at end of the year	**(B)**	**54**	51
Amount not recognised as an asset (limit in para 64(b))	**(C)**	**10**	11
	(A-B+C)	**(21)**	(21)
Amount recognised in the Consolidated Balance Sheet			
Assets			
Current		**-**	-
Non-current		**21**	21
Opening value of asset ceiling		**11**	10
Interest on opening balance of asset ceiling		**-**	1
Remeasurements due to:			
Change in surplus/ deficit		**(1)**	-
Closing value of asset ceiling		**10**	11
Included in OCI			
Opening amount recognised in OCI outside the Consolidated Statement of Profit and Loss		**(9)**	(10)
Remeasurement loss / (gain):			
Adjustments to recognise the effect of asset ceiling		**(1)**	-
Financial assumptions		**1**	2
Experience adjustment		**1**	(1)
Return on plan assets excluding interest income		**-**	-
		(8)	(9)
Expense recognised in the Consolidated Statement of Profit and Loss			
Current Service Cost		**1**	1
Interest cost		**1**	1
Expected return on plan assets		**(3)**	(3)
Total included in “Employee benefits expense” (refer note 30)		**(1)**	(1)
Category of Assets		**%**	%
Insurer Managed Funds		**100%**	100%
The principal assumptions used in determining pension are shown below:			
Discount rate (p.a)		**6.35% p.a.**	7.05% p.a
Expected rate of return on plan assets		**6.35% p.a.**	7.05% p.a
Salary escalation rate		**7%**	7%

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

(i) Discount Rate:

The discount rate is based on the prevailing market yields of Indian government bonds as at the Balance Sheet date for the estimated term of the obligations.

(ii) Salary Escalation Rate:

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(iii) Expected contributions to the fund post 31 March 2020 is Rs. Nil.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

As of March 31, 2020, every 0.5 percentage point increase / (decrease) in discount rate will result in (decrease) / increase of pension obligation by approximately Rs. (0.7) and Rs. 0.8 respectively.

As of March 31, 2019, every 0.5 percentage point increase / (decrease) in discount rate will result in (decrease) / increase of pension obligation by approximately Rs. (0.7) and Rs. 0.7 respectively.

	31 March 2020
Expected benefit payments are as follows:	
Year ending March 31	
2021*	**-**
2022*	**-**
2023	**3**
2024*	**-**
2025*	**-**
thereafter	**31**

*below rounding off

(c) Provident fund

(i) Defined Contribution Plan

In respect of the defined contribution plan as explained in accounting policy O - ii (b), the Group has contributed Rs.411 for the year (31 March 2019 Rs. 602). These contributions are charged to the Consolidated Statement of Profit and Loss as they accrue.

(ii) Defined Benefit Plan

In respect of the defined benefit plan as explained in accounting policy O - ii (a), the following tables set forth the movement in plan liabilities, assets, etc.

		31 March 2020	31 March 2019
Present value of defined benefit obligation			
Projected benefit obligation at the beginning of the year		**32,101**	27,297
Current service cost		**2,316**	1,883
Interest cost		**2,364**	2,141
Actuarial losses		**2,126**	258
Employees contribution		**3,497**	2,933
Liabilities transferred in / out		**(429)**	(778)
Benefits paid		**(1,750)**	(1,633)
Projected benefit obligation at the end of the year	**(A)**	**40,225**	32,101

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

		31 March 2020	31 March 2019
Fair value of plan assets			
Fair value of plan assets at beginning of the year		**31,498**	27,297
Expected return		**2,323**	2,141
Remeasurements due to :			
Actual return on plan assets less interest on plan assets		**1,442**	252
Shortfall arising on account of asset diminution		**(3,633)**	(597)
Employer contribution during the year		**2,316**	1,883
Employee contribution during the year		**3,497**	2,933
Assets transferred in / out		**(429)**	(778)
Benefits paid		**(1,750)**	(1,633)
Fair Value of plan assets at end of the year	**(B)**	**35,264**	31,498
Amount recognised in Balance Sheet	**(A-B)**	**4,961**	603
Amounts in the balance sheet:			
Liabilities			
Current		**486**	6
Non-current		**4,475**	597
Expense recognised in the Statement of Profit and Loss			
Current service cost		**2,316**	1,883
Interest cost		**2,364**	2,141
Expected return on plan assets		**(2,323)**	(2,141)
Total included in "Employee benefits expense" (refer note 30)		**2,357**	1,883
Amounts included in OCI			
Opening amount recognised in OCI outside the Statement of Profit and Loss		**603**	-
Actuarial loss /(gain) arising from:			
Financial assumptions		**769**	6
Experience adjustment		**1,357**	252
Actual return on plan assets less interest on plan assets plus shortfall on asset diminution		**2,191**	345
Closing amount recognised in OCI outside the Statement of Profit and Loss		**4,920**	603
Plan Asset Category			
Government of India securities		**59%**	50%
Corporate Bonds		**31%**	38%
Equity shares of Listed companies		**6%**	7%
Others		**4%**	5%
		100%	100%
The principal assumptions used in determining the defined benefit obligation are as follows:			
Discount rate		**6.35%**	7.05%
Expected rate of return on plan assets		**7.90%**	8.64%
Discount rate for the remaining term to maturity of investment		**6.65%**	7.63%
Average historic yield on the investment		**8.20%**	9.22%
Guaranteed rate of return		**8.50%**	8.65%

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

As of March 31, 2020, every 1 percentage point of an increase / (decrease) in the difference between the rate earned and the RPFC guaranteed rate will result in increase / (decrease) of provident fund defined benefit obligation by approximately Rs. 1,571 and Rs. (968) respectively.

As of March 31, 2019, every 1 percentage point of an increase / (decrease) in the difference between the rate earned and the RPFC guaranteed rate will result in increase / (decrease) of provident fund defined benefit obligation by approximately Rs. 1,372 and Rs. Nil respectively.

(iii) The Group contributed Rs. 1,387 (31 March 2019 Rs. 1,085) to the Central Government towards pension, as required by the PF Rules.

(d) Compensated absences:

Compensated absences as at the Balance Sheet date, determined on the basis of actuarial valuation based on the "projected unit credit method" is as below -

	31 March 2020	31 March 2019
Current provisions (refer note 27)	**5,214**	4,449
Non-current provisions (refer note 21)	**14**	12
	5,228	4,461
Actuarial assumptions		
Discount rate	**5.65% - 6.85%**	7% - 7.66%
Salary escalation rate	**6% - 7%**	7%

39 Segment reporting

The Group's operations predominantly relate to providing Information Technology ('IT') services, IT Enabled services, and business process outsourcing services delivered to customers globally through an onsite / offshore model. The Group considers all of these services to be relating to one segment i.e. IT enabled services. The Group has evaluated its service offerings and has concluded that the risks and rewards of all these services are identical. Accordingly, the Board of Directors and the Chief Executive Officer of the Company review the performance of the Company as one primary business segment i.e. IT and IT- enabled operations, solutions and services. Secondary segment reporting is performed on the basis of the geographical segmentation as the Company operates in various countries.

The Group's geographic segmentation is based on the location of customers. Revenue in relation to geographic segments is categorised based on the location of the specific customer entity for which services are rendered, irrespective of the customer entity that is billed for the services and whether the services are delivered onsite or offshore. Categorisation of customer related assets in relation to geographic segments is based on the location of the specific customer entity which is billed for the services. Costs are not specifically allocable to individual segments as the underlying resources and services are used interchangeably. The Group has common fixed assets for development of software. Fixed assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

Geographic Area	**Country**
America	Argentina, Brazil, Canada, Chile, Colombia, Guatemala, Mexico and United States of America
Europe	Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden, Switzerland and United Kingdom
India	India
Rest of the World	Australia, Bangladesh, China, Hong Kong, Japan, Malaysia, Mauritius, Oman, Philippines, Saudi Arabia, Singapore, South Africa, Turkey, Tunisia, United Arab Emirates, Nepal, Kenya and Vietnam

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

	31 March 2020	31 March 2019
Revenue		
- India	**17,284**	16,175
- Europe	**61,747**	57,802
- America	**65,173**	59,790
- Rest of the world	**7,511**	6,660
	151,715	140,427
Segment assets		
Trade receivables (excluding allowance for doubtful receivables)		
- India	**3,621**	3,818
- Europe	**9,692**	10,357
- America	**8,990**	7,047
- Rest of the world	**2,067**	1,674
	24,370	22,896
Unbilled revenue		
- India	**1,813**	1,890
- Europe	**1,793**	678
- America	**1,979**	359
- Rest of the world	**367**	264
	5,952	3,191
Segment liabilities		
Unearned revenue		
- India	**113**	132
- Europe	**76**	45
- America	**83**	18
- Rest of the world	**38**	7
	310	202

40 Related party disclosures

Related Party Disclosures in accordance with Ind AS 24 - “Related Party Disclosures” are given below.

Names of related parties and related party relationship

Related parties where control exists
Parent companies
Capgemini SE, the Ultimate Parent Company
The ultimate parent company holds 99.77% in the Company through the below group companies:
Capgemini America, Inc., subsidiary of Capgemini North America, Inc.
Pan-Asia Solutions, Mauritius, subsidiary of Capgemini America, Inc. (till 4 April 2019)
Capgemini North America, Inc., a subsidiary of the ultimate parent company

Other related parties
Key Management Personnel
Srinivasa Rao Kandula - Managing Director (till 31 December 2018) and Wholetime Director and Chairman
Ashwin Yardi - Wholetime Director and Chief Executive Officer (w.e.f. 1 Jan 2019)
Sujit Sircar - Chief Financial Officer (w.e.f. 25 July 2018)
Aruna Jayanthi - Wholetime Director

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

Ritesh Talapatra - Executive Director (till 4 February 2020)
Karine Marchat - Director and Chief Financial Officer (till 25 July 2018)
Paul Hermelin - Non- executive director
Hubert Paul Henri Giraud - Non- executive director
Thierry Delaporte - Non- executive director (w.e.f. 03 May 2018, till 05 May 2020)
Armin Billimoria - Company Secretary
Arul Kumaran Paramanandam - Chief Operating Officer (w.e.f. 18 Dec 2018)
Antoine Imbert - Chief Operating Officer (w.e.f. 18 Dec 2018)

Employee benefit trusts of the Company or of entity related to the Company
Capgemini India Pvt. Ltd. Employees' Provident Fund
Capgemini Business Services (I) Ltd EPF Trust
Capgemini India Private Limited Employees' Benevolent Fund
Capgemini India Employees Gratuity Fund Trust
Capgemini Business Services (India) Limited Employees Group Gratuity Assurance Scheme
Capgemini Business Services (India) Limited Super Annuation Scheme
IGATE Computer Systems Limited Employees' Gratuity Fund
AXA Technologies Shared Services Private Limited Employees Gratuity Trust

Fellow subsidiaries
Capgemini (China) Co. Ltd.
Capgemini (Hangzhou) Co Ltd
Capgemini Argentina, S.A.
Capgemini Australia PTY Limited
Capgemini Belgium NV/S.A.
Capgemini Business Services (China) Limited
Capgemini Business Services Brasil – Assessoria Empresarial Ltda
Capgemini Business Services B.V.
Capgemini Brasil S.A. (formerly CPM Braxis S.A.)
Capgemini Canada Inc.
Capgemini Consulting Österreich AG
Capgemini Consulting S.A.S.
Capgemini Czech Republic s.r.o
Capgemini Deutschland GmbH
Capgemini Deutschland Holding GmbH
Capgemini Educational Services B.V.
Capgemini España S.L.
Capgemini Finland Oy
Capgemini France S.A.S.
Capgemini Gouvieux S.A.S
Capgemini Government Solutions LLC
Capgemini Hong Kong Limited
Capgemini Italia spA
Capgemini Ireland Limited
Capgemini Japan K.K.
Capgemini Magyarorszag Kft.
Capgemini Mexico S. de R.L de C.V.
Capgemini Nederland B.V.
Capgemini Norge A/S
Capgemini Outsourcing Services GmbH
Capgemini Polska Sp. z.o.o
Capgemini Portugal, Serviços de Consultoria e Informatica, S.A.
Capgemini Saudi Limited
Capgemini Service Romania s.r.l.
Capgemini Service S.A.S.
Capgemini Services Malaysia Sdn Bhd
Capgemini Singapore Pte. Ltd.
Capgemini Singapore Pte. Ltd. - Abu Dhabi Branch
Capgemini Singapore Pte. Ltd. - Dubai Branch

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

Capgemini Slovensko s.r.o.
Capgemini Danmark A/S
Capgemini Solutions Canada Inc.
Capgemini Suisse S.A.
Capgemini Sverige AB
Capgemini Technologies LLC
Capgemini Technology Services S.A.S.
Capgemini UK plc
Capgemini Vietnam Co. Ltd
CHCS Services Inc.
Capgemini Philippines Corp.
Capgemini Asia Pacific Pte. Ltd.
Capgemini Suisse Slovokia branch
Capgemini Financial Services UK Limited
Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited)
Capgemini US LLC (merged with Capgemini America, Inc. w.e.f. 2 July 2016)
Capgemini Financial Services UK Ltd. - South Africa Branch (merged with Capgemini UK Plc – South Africa Branch -262)
Capgemini DEMS France SAS (formerly known as Sogeti High Tech S.A.S.)
Capgemini UK Plc – South Africa Branch -262
Capgemini Asia Pacific Pte Ltd. - Taiwan Branch
CHCS Services Inc - India Branch
Idean Enterprises Inc. (merged with Capgemini America Inc w.e.f. 3 January 2020)
Idean Enterprises Oy
IGATE Computer Systems (Suzhou) Co Ltd. (merged with Capgemini (China) Co. Ltd. w.e.f 05 July 2019)
Igate Singapore Pte. Ltd. (merged with Capgemini Singapore Limited)
Inergi LP
Inergi Inc.
Interactive Thinking S.R.L.
Itelios SAS
Liquidhub Inc. (merged with Capgemini America Inc. w.e.f 1 January 2019)
New Horizons Systems Solutions Inc
ODIGO SAS
Prosodie S.A.S.
Societe en Commandite Capgemini Quebec Limited Partnership
Sogeti Deutschland GmbH
Sogeti Finland Oy
Sogeti France S.A.S. (merged with Capgemini Technology Services S.A.S. w.e.f. 25 Jan 2019)
Sogeti Luxembourg S.A.
Sogeti Nederland B.V.
Sogeti Norge AS
Sogeti Sverige AB
Sogeti UK Limited

Related party transactions

		31 March 2020	31 March 2019
a)	**Revenues from operations**		
	Capgemini America, Inc.	**58,894**	52,316
	Capgemini UK Plc	**14,311**	13,826
	Others	**57,302**	52,956
b)	**Expense incurred by the Company on behalf of**		
	Capgemini Service S.A.S.	**4**	53
	Capgemini Ireland Limited	**58**	105
	Capgemini Australia Pty. Ltd.	**34**	35
	Others	**12**	14

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

		31 March 2020	31 March 2019
c)	**Expenses cross charged**		
	Capgemini Service S.A.S.	**2,319**	2,002
	Capgemini America Inc	**1,315**	471
	Capgemini SE	**890**	986
	Others	**1,194**	1,381
d)	**Interest on loan given**		
	Capgemini IT Solutions India Private Limited, India	**6**	-
e)	**Sale of contracts/ business**		
	Capgemini IT Solutions India Pvt. Ltd.	**114**	-
	Others	**10**	-
f)	**Contribution to employee benefit funds**		
	Capgemini India Employees Gratuity Fund Trust	**420**	427
	Capgemini Business Services (India) Limited Employees Group Gratuity Assurance Scheme	**30**	54
	Capgemini India Pvt. Ltd. Employees' Provident Fund	**2,145**	1,751
	Capgemini Business Services (I) Ltd EPF Trust	**171**	132
g)	**Remuneration**		
	Managing Director	**-**	19
	Wholetime Director and Chairman	**27**	6
	Wholetime Director and Chief Executive Officer	**21**	4
	Chief Financial Officer	**28**	26
	Directors	**43**	69
	Others	**44**	19
h)	**Employee stock compensation expense**		
	Wholetime Director and Chief Executive Officer	**35**	11
	Directors	**52**	144
	Others	**11**	-
i)	**Consideration paid for purchase of subsidiaries**		
	Capgemini America Inc.	**4,114**	-
Balances outstanding			
a)	**Trade receivables**		
	Capgemini America, Inc.	**8,149**	6,043
	Capgemini Technology Services S.A.S.	**1,737**	2,134
	Others	**10,013**	9,692
b)	**Other non-current financial assets - loans**		
	Capgemini North Amercia, Inc.	**243**	-
	Capgemini IT Solutions India Private Limited	**155**	-

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

		31 March 2020	31 March 2019
c)	**Unbilled revenue**		
	Capgemini UK PLC	**526**	162
	Capgemini Australia Pty. Ltd.	**288**	194
	Capgemini Ireland Limited	**39**	168
	Capgemini America, Inc.	**1,816**	127
	Others	**1,367**	369
d)	**Unearned revenue**		
	Capgemini Technology Services S.A.S.	**66**	-
	Capgemini America, Inc.	**43**	-
	Others	**7**	-
e)	**Other current financial assets - loans**		
	Capgemini IT Solutions India Private Limited	**6**	-
f)	**Other current financial assets**		
	Other receivable from Capgemini America, Inc.	**164**	-
	Salary recoverable from Key Managerial Personnel	**-**	173
g)	**Other current assets**		
	Capgemini America, Inc.	**156**	-
	Capgemini India Employees Gratuity Fund Trust	**1**	6
	Capgemini Business Services (India) Limited Employees Group Gratuity Assurance Scheme	**-**	1
h)	**Trade payables**		
	Capgemini Technology Services SAS	**133**	165
	Capgemini Service S.A.S.	**539**	1,205
	Capgemini Singapore Pte. Ltd.	**1**	609
	Capgemini America, Inc.	**236**	393
	Others	**266**	212
i)	**Amounts payable under employee stock option plan**		
	Capgemini SE	**1,281**	1,253
j)	**Other current assets - prepaid expenses**		
	Capgemini Service S.A.S.	**191**	602
k)	**Other non-current assets - prepaid expenses**		
	Capgemini Service S.A.S.	**-**	7
l)	**Other financial liabilities**		
	Capgemini UK PLC	**191**	191
	Capgemini Service S.A.S.	**2**	-
	Others	**21**	-

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

		31 March 2020	31 March 2019
m)	**Non current provisions - other defined benefit obligation**		
	Capgemini India Pvt. Ltd. Employees' Provident Fund	**4,153**	507
	Capgemini Business Services (I) Ltd EPF Trust	**322**	90
n)	**Current provisions - other defined benefit obligation**		
	Capgemini India Pvt. Ltd. Employees' Provident Fund	**429**	-
	Capgemini Business Services (I) Ltd EPF Trust	**57**	6

The Group has the following related party transactions for the year ended 31 March 2020 and 31 March 2019

Transactions	Parent companies		Fellow subsidiaries		Key Management Personnel		Employee benefit trusts of the Company or of entity related to the Company	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Revenues from operations	**58,979**	52,437	**71,528**	66,661	-	-	-	-
Expense incurred by the Company on behalf of	**1**	4	**107**	203	-	-	-	-
Expenses cross charged	**2,205**	1,456	**3,513**	3,384	-	-	-	-
Interest on loan given	-	-	**6**	-	-	-	-	-
Contribution to employee benefit funds	-	-	-	-	-	-	**2,766**	2,364
Sale of contracts/ business	-	-	**124**	-	-	-	-	-
Key managerial personnel								
- Remuneration	-	-	-	-	**163**	143	-	-
- Employee stock compensation expense	-	-	-	-	**98**	155	-	-
Consideration paid for purchase for subsidiaries	**4,114**	-	-	-	-	-	-	-

The Company has the following related party balances for the year ended 31 March 2020 and 31 March 2019

Transactions	Parent companies		Fellow subsidiaries		Key Management Personnel		Employee benefit trusts of the Company or of entity related to the Company	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Trade receivables	**8,156**	6,043	**11,743**	11,826	-	-	-	-
Other non current financials assets - loans	**243**	-	**155**	-	-	-	-	-
Unbilled revenue	**1,819**	126	**2,217**	894	-	-	-	-
Unearned revenue	**43**	-	**73**	-	-	-	-	-
Other current financial assets - loans	-	-	**6**	-	-	-	-	-
Other current financial assets	**164**	-	-	-	-	173	-	-
Other current assets	**156**	-	-	-	-	-	**1**	7
Trade payables	**339**	393	**836**	2,191	-	-	-	-
Amounts payable under employee stock option plan	**1,281**	1,253	-	-	-	-	-	-
Other financial liabilities	-	-	**214**	191	-	-	-	-
Other current assets - prepaid expenses	-	-	**191**	602	-	-	-	-
Other non-current assets - prepaid expenses	-	-	-	7	-	-	-	-
Non current provisions - other defined benefit obligation	-	-	-	-	-	-	**4,475**	597
Current provisions - other defined benefit obligation	-	-	-	-	-	-	**486**	6

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

41 Leases

		31 March 2020
(a)	**Finance lease: Company as lessee**	
	The Company has acquired motor vehicles under finance leases, for which the future minimum lease payments are as follows:	
	Total minimum lease payments at the year end	20
	Less: amounts representing finance charges	3
	Present value of minimum lease payments	**17**
	Minimum lease payments:	
	Within one year (present value of Rs 10)	12
	After one year but not more than five years (present value of Rs 7)	8
		20

(b) Operating lease: Company as lessee

The Group has taken on operating lease office premises, guest houses and vehicles. The lease arrangements for premises and guest houses have been entered up to a maximum of 10 years from the date of inception. Some of these arrangements have price escalation clauses generally ranging from 5% to 20%. These leases are generally further renewable by mutual agreement. There are no restrictions imposed by these lease arrangements.

Contractual payments under non-cancellable operating leases are as follows:

i)	Lease payments (including service charges) recognised in the Consolidated Statement of Profit and Loss as rent expense	2,950
ii)	Total Future minimum lease payments under the non - cancellable operating leases :	
	Not later than one year	2,582
	Later than one year but not later than five years	7,166
	Later than five years	4,120
		13,868

Note: Future minimum lease payments include variable lease payments

42 Earnings per share (EPS)

The following table reflects the profit and share data used to compute basic and diluted EPS:

	31 March 2020	31 March 2019
(A) Profit attributable to equity shareholders	**16,569**	15,923
(B) Weighted average number of equity shares in calculating basic EPS (nos.)	**59,139,500**	59,139,500
(C) Weighted average number of equity shares in calculating diluted EPS (nos.)	**59,139,500**	59,139,500
Basic earning per share of face value of Rs.10/- each (A/B)	**280.17**	269.24
Diluted earning per share of face value of Rs.10/- each (A/C)	**280.17**	269.24

43 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The fair values of the financial assets and liabilities are included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation state.

The Group classifies its inputs used to measure fair value into the following hierarchy :

Level 1 : Unadjusted quoted prices in active market for identical assets or liabilities

Level 2 : Inputs other than quoted prices that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Unobservable inputs for assets and liabilities that are not based on observable market data.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

31 March 2020	Carrying amount				Fair value			
	FVTPL	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Cash and cash equivalents	-	-	14,119	14,119	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	2	2	-	-	-	-
Current investments	53,589	-	-	53,589	53,589	-	-	53,589
Loans	-	-	404	404	-	-	-	-
Trade receivables	-	-	23,640	23,640	-	-	-	-
Other non-current financial assets	-	-	1,382	1,382	-	-	-	-
Other current financial assets	-	-	1,656	1,656	-	-	-	-
	53,589	**-**	**41,203**	**94,792**	**53,589**	**-**	**-**	**53,589**
Financial liabilities								
Other non-current financial liabilities	-	-	788	788	-	-	-	-
Trade and other payables	-	-	5,896	5,896	-	-	-	-
Lease liabilities - current and non-current	-	-	8,885	8,885				-
Other current financial liabilities	49	194	4,128	4,371	-	243	-	243
	49	**194**	**19,697**	**19,940**	**-**	**243**	**-**	**243**

31 March 2019	Carrying amount				Fair value			
	FVTPL	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Cash and cash equivalents	-	-	17,803	17,803	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	2	2	-	-	-	-
Current investments	38,179	-	-	38,179	38,179	-	-	38,179
Trade receivables	-	-	22,226	22,226	-	-	-	-
Other non-current financial assets	-	-	1,199	1,199	-	-	-	-
Other current financial assets	25	77	1,858	1,960	-	102	-	102
	38,204	**77**	**43,088**	**81,369**	**38,179**	**102**	**-**	**38,281**
Financial liabilities								
Other non-current financial liabilities	-	-	861	861	-	-	-	-
Trade and other payables	-	-	8,558	8,558	-	-	-	-
Other current financial liabilities	-	-	4,556	4,556	-	-	-	-
	-	**-**	**13,975**	**13,975**	**-**	**-**	**-**	**-**

(1) Assets that are not financial assets (such as receivables from statutory authorities, prepaid expenses, advances paid and certain other receivables) amounting to Rs. 30,867 and Rs. 30,435 as of 31 March 2020 and 31 March 2019 respectively, are not included.

(2) Other liabilities that are not financial liabilities (such as statutory dues payable, deferred revenue, advances from customers and certain other accruals) amounting to Rs. 18,866 and Rs. 13,188 as of 31 March 2020 and 31 March 2019, respectively, are not included

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring fair values:

Financial instruments measured at fair value

Type	Valuation technique
Foreign exchange forward contracts	The Group's derivative financial instruments consist of foreign exchange forward contracts. Fair value of derivative financial instruments are based on prices as provided by the banks and are classified as Level 2. Inputs include current market-based parameters such as forward rates, yield curves and credit default swap pricing.
Investments	The Group's investments consist primarily of investment in debt linked mutual funds. Fair value of debt linked mutual funds are based on prices as stated by the issuers of mutual funds and are classified as Level 1 or 2 after considering whether the fair value is readily determinable.

During the reporting years ended 31 March 2020 and 31 March 2019, there have been no transfers of financial instruments between Level 1 or Level 2 or Level 3 fair value measurements.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Group periodically assesses the financial reliability of its customers, taking into account the financial conditions, current economic trends and analysis of historic bad debts and ageing of accounts receivable. Financial assets are written off when there is no reasonable expectation of recovery from the customer.

The Group has trade receivables primarily from intercompanies for which it does not foresee any credit risk.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. Out of the total trade and other receivables of Rs. 24,370 and Rs. 22,896 as of 31 March 2020 and 31 March 2019 respectively, the Group has receivables which are past due and impaired as detailed below -

At March 31, 2017, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

	31 March 2020	31 March 2019
Balance at the beginning of the year	**670**	777
Impairment loss recognised	**60**	-
Impairment provision written back	**-**	(107)
Balance at the end of the year	**730**	670

Others

Credit risk of the Group on cash and cash equivalents and investments is subject to low credit risk since the investments of the Group are only in liquid debt securities with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Counter parties to foreign currency forward contracts are typically multinational and domestic banks with appropriate market reputation.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

	Contractual cash flows			
31 March 2020	**Carrying amount**	**Within one year**	**One year but not more than five years**	**More than five years**
Lease liabilities	8,885	2,302	6,426	2,608
Other non-current financial liabilities	788	-	788	-
Current financial liabilities	4,371	4,371	-	-
Trade and other payables	5,896	5,896	-	-

	Contractual cash flows			
31 March 2019	**Carrying amount**	**Within one year**	**One year but not more than five years**	**More than five years**
Other non-current financial liabilities	861	-	861	-
Current financial liabilities	4,556	4,556	-	-
Trade and other payables	8,558	8,558	-	-

iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk and market value of its investments. The exposure to market risk is a function of investing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

The currency profile of financial assets and financial liabilities as at 31 March 2020 and 31 March 2019 is as below:

Foreign currency exposures as on 31 March 2020

Particulars	Cash and cash equivalents	Trade receivables*	Trade Payables	Other financial liabilities
USD	1,202	994	452	26
EUR	71	239	785	-
SGD	-	-	1	-
JPY	-	-	17	-
GBP	1	3	54	-
CAD	-	-	2	-
AUD	-	2	2	-
CHF	-	1	-	-
SEK	-	-	-	-
CNY	-	-	1	-
AED	-	-	1	-
PLN	-	-	23	-
HKD	-	-	-	-
OMR	-	196	-	-

*excludes allowance for doubtful receivables

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

Foreign currency exposures as on 31 March 2019

Particulars	Cash and cash equivalents	Trade receivables*	Trade Payables	Other financial liabilities
USD	818	1,160	231	65
EUR	44	198	1,255	-
SGD	-	2	604	-
JPY	-	-	-	-
GBP	-	2	30	-
CAD	-	-	3	-
AUD	-	9	16	-
CHF	-	-	9	-
SEK	-	-	3	-
CNY	-	-	2	-
AED	-	-	-	-
PLN	-	-	4	-
HKD	-	-	5	-
OMR	-	178	-	-

*excludes allowance for doubtful receivables

As at 31 March 2020 and 31 March 2019 every 1% increase / decrease in exchange rates of the respective foreign currencies compared to functional currency of the Group would result in increase / decrease in profit of the Group by approximately Rs. 13 and Rs. 2 respectively.

Currency risk

The Group is exposed to currency risk on account of its receivables and payables in foreign currencies. The functional currency of the Group is Indian Rupee. The Group uses forward exchange contracts to hedge its currency risk, with a maturity period of generally less than one year. The Group does not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of 31 March 2020 and 31 March 2019:

Category	**31 March 2020**		31 March 2019	
	In million	**In Rs. million**	In million	In Rs. million
Forward contracts				
Hedges of recognized assets and liabilities				
USD/INR	**13**	**950**	13	905
Hedges of highly probable forecasted transactions				
USD/INR	**56**	**4,292**	51	3,575
		5,242		4,480

The table below analyses the derivative financial instruments to relevant maturity groupings based on the remaining period as on the balance sheet date:

	31 March 2020	31 March 2019
Forward contracts in USD		
Not later than one month	**455**	452
One to 6 months	**2,414**	2,353
6-12 months	**2,373**	1,675
	5,242	4,480

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

The following table provides the reconciliation of cash flow hedge reserve for the year ended 31 March 2020 and 31 March 2019:

	31 March 2020	31 March 2019
Balance at the beginning of the year	**49**	2
(Loss) / Gain recognised in other comprehensive income during the year	**(178)**	361
Amount reclassified to Consolidated Statement of Profit and Loss during the year	**(93)**	(289)
Tax impact on above	**95**	(25)
Balance at the end of the year	**(127)**	49

44 Contingent liabilities and commitments

A) Commitments

(i) Estimated value of contracts on capital account remaining to be executed [net of advances Rs. 24 (31 March 2019 Rs. 206)]	**1,415**	582

	31 March 2020
(ii) Commitments given on leases consist primarily of the common area maintainance charges of the Group's non-cancellable leases	
Not later than one year	**494**
Later than one year but not later than five years	**1,304**
Later than five years	**504**
	2,302

B) Contingent liabilities

		31 March 2020	**31 March 2019**
(i)	Claims not acknowledged as debt	**38**	34

(ii) The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Further, there are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively.

Pending directives from the EPFO, the impact for past periods, if any, is not ascertainable reliably and consequently no financial effect has been provided for in the financial statements. The Group has complied with the order of the SC prospectively effective 1 March 2019 by including such allowances for PF contribution calculations.

iii) The Group has ongoing disputes with income tax, GST, Service tax, VAT and Customs authorities relating to tax treatment of certain items. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives / tax holiday / allowances etc. The Group also periodically receives notices and inquiries from the above tax authorities related to the Group's operations in the jurisdictions it operates in. The Group has evaluated these notices and inquiries and has concluded that any consequent tax claims or demands by the relevant tax authorities will not succeed on ultimate resolution.

45 Auditors' remuneration

Statutory audit	**17**	17
Tax audit	**3**	3
Other services	**1**	1
Out of pocket expenses	**1**	1
	22	22

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

45 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Group has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31 March 2020 and 31 March 2019. The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the micro and small enterprises should mention in their correspondence with its customers the entrepreneur's memorandum number as allocated after filing of the memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at 31 March 2020 has been made in the financial statements based on the information received and available with the Group.

The amounts remaining unpaid to micro and small suppliers as at the end of the year

	31 March 2020	31 March 2019
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	**17**	19
- Interest	**1**	1
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**158**	200
The amount of interest accrued and remaining unpaid at the end of each accounting year	**39**	36
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	**3**	4

47 Employee stock compensation plans

(i) The employees of the Company were entitled to participate in share based awards issued by IGATE Corporation the ultimate parent company till 30 June 2015. Costs pertaining to share based awards issued to the Company's employees are cross charged by the ultimate parent company. Such expenses are accounted for as part of employee benefits and the liability to the ultimate parent company is settled in cash.

Pursuant to the acquisition of IGATE Corporation by Capgemini SE, the Company's Performance Share Awards were converted into performance units issued by Capgemini SE, the ultimate parent company with effect from 1 July 2015. The other plans of the Company have been converted into cash settled incentives. Although the share based awards are issued and administered by Capgemini SE, the Company is required to settle the obligation to the employee directly in cash. The features of the performance shares plan are set out below:

Particulars	2015 Plan	
	31 March 2020	31 March 2019
Vesting period	**One, two or three years for the market condition and three years for the internal condition**	One, two or three years for the market condition and three years for the internal condition
Vesting schedule *	**25% of the units on 1 July 2016, 1 July 2017 and 1 July 2018 subject to presence and market performance conditions and 25% of the units on 1 July 2019 subject to presence and internal performance conditions**	25% of the units on 1 July 2016, 1 July 2017 and 1 July 2018 subject to presence and market performance conditions and 25% of the units on 1 July 2019 subject to presence and internal performance conditions
Total number of units outstanding as at opening date	**5,432**	17,315
Units vested	**5,432**	2,688
Units forfeited or canceled during the year **	**-**	9,196
Total number of units outstanding as at closing date	**-**	5,432
Fair value per unit on grant date (in Euros)	**56.3**	56.3

* Units vesting in the first three years are subject to a final adjustment clause tied to the change in the Capgemini SE share price between vesting dates and 1 July 2019

** The internal performance condition was only satisfied 100% at the first vesting date, resulting in the vesting of 5,432 units

Details of charge and liability for the above performance plan are set out in table below -

	31 March 2020	31 March 2019
Charge for the year	**19**	22
Liability as at balance sheet date	-	40

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

(ii) Table below sets out the stock option activity of the various ESOP plans under which Capgemini SE granted stock options to the Group's employees.

In the year ended 31 March 2019, on vesting of the 2014 plan, Capgemini SE recharged the Group the cost of acquiring such shares for settlement to the employees. Consequent to this, the Group recognises the compensation cost for these ESOP plans using liability method. The unvested shares are valued at Capgemini SE's share price at the respective reporting date.

Particulars	**2014 Plan**		**2015 Plan**		**2016 Plan**	
	31-Mar-20	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
Grant date	-	30-Jul-14	29-Jul-15	29-Jul-15	26-Jul-16	26-Jul-16
Performance assessment dates	-	Three years for the internal performance condition and two years for the external performance condition	Three years for the two performance conditions	Three years for the two performance conditions	Three years for the two performance conditions	Three years for the two performance conditions
Vesting period	-	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date
Total numbers of options outstanding at opening date	-	73,250	56,600	62,800	95,600	104,750
Total numbers of options granted during the year	-	-	-	-	-	-
Options exercised	-	65,250	51,080	-	-	-
Options forfeited or canceled during the year	-	8,000	5,520	6,200	3,200	9,150
Total number of options outstanding at closing date	-	-	-	56,600	92,400	95,600
Charge for the year	-	310	2	153	41	214
Amount payable under employee stock option plan - refer note 20 and 25	-	-	-	403	497	456

Particulars	**2017 Plan**		**2018 Plan**		**2019 Plan**	
	31-Mar-20	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
Grant date	5-Oct-17	5-Oct-17	3-Oct-18	3-Oct-18	2-Oct-19	-
Performance assessment dates	Three years for the two performance conditions	Three years for the two performance conditions	Three years for the two performance conditions	Three years for the two performance conditions	Three years for the two performance conditions	-
Vesting period	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date	-
Total numbers of options outstanding at opening date	119,650	130,850	167,610	-	-	-
Total numbers of options granted during the year	-	-	-	169,645	195,600	-
Options exercised	-	-	-	-	-	-
Options exercised	-	-	-	-	-	-
Options forfeited or canceled during the year	3,350	11,200	4,165	2,035	3,000	-
Options unexercised	-	-	-	-	-	-
Options lapsed	-	-	-	-	-	-
Total number of options outstanding at closing date	116,300	119,650	163,445	167,610	192,600	-
Charge for the year	107	168	177	121	106	-
Amount payable under employee stock option plan - refer note 20 and 25	380	273	297	121	106	-

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

(iii) Capgemini SE, the ultimate parent company, has set up an employee share ownership plan, where eligible employees of the Group were invited to subscribe to the shares of the ultimate parent company at a discount of 12.5% to the current market price of the ultimate parent company shares. On 18 December 2017, 18 December 2018, and 18 December 2019 the ultimate parent company issued shares for 2017, 2018, and 2019 employee ownership plan respectively. The charge for the year for these plans are as below:

Particulars	ESOP 2017		ESOP 2018		ESOP 2019	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Number of shares	**31,417**	38,411	**36,567**	45,444	**39,681**	-
Charge for the year	**5**	7	**6**	3	**2**	-
Employees Stock Option reserve	**15**	10	**9**	3	**2**	-

The Company has used fair value method for accounting of the above employee stock options.

(iv) During the year 31 March 2020, Capgemini SE, the ultimate parent company has vested shares to certain employees for February 2016 plan. The Company has recognised cost of Rs.308 in the Statement of Profit and Loss. Since the Company is not expecting recharge of the cost of acquiring these shares from the ultimate parent company, the corresponding liability has been credited to Employees Stock Option reserve.

48 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, the Group has identified areas including activities for promoting programs that benefit the communities in and around the Group's work centre and further results in enhancing the quality of life and economic well being of the local populace, express commitment to the social development through responsible business practices and good governance, engage with state and its agencies in pursuing the development agenda for sustainable change for its CSR activities. These areas will be pursued in phases and in a manner aligned with the CSR rules and regulations. The funds have been contributed to trusts/organisations involved in the above activities and will be utilized on the activities which are specified in Schedule VII of the Companies Act, 2013. The gross amount required to be spent by the Group on CSR activities is Rs.407 (31 March 2019 Rs.278). The total expenditure incurred on 'Corporate Social Responsibility Activities' for the current year is Rs. 359 (31 March 2019 Rs.193). As per the amendment to section 135(6), the unspent amount of Rs 48 was duly deposited to unspent corporate social responsibility account on 30 April 2020 and such amount shall be spent by the company in pursuance of its obligation towards the ongoing projects.

Amount spent during the year on:

Particulars	In cash	Yet to be paid	Total
(i) Construction/acquisition of any assets (31 March 2019 Rs. Nil)	-	-	**-**
(ii) CSR Programs (31 March 2019 Rs. 184)	330	12	**342**
(iii) Other expenses allowed under CSR (31 March 2019 Rs. 9)	17	-	**17**
Total (31 March 2019 Rs. 193)	**347**	**12**	**359**

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

49 Subsidiaries information

Name of the subsidiary	Net Assets (Total assets-total liabilities)		Share in profit or (loss)		Share in other comprehensive income /(loss)		Share in total comprehensive income/(loss)	
	As % of total	Amount in Rs.	As % of total	Amount in Rs.	As % of total	Amount in Rs.	As % of total	Amount in Rs.
Parent	100.7%	125,779	94.8%	15,706	100.7%	(3,366)	93.3%	12,340
Indian subsidiaries								
IGATE Infrastructure Management Services Limited	0.0%	(33)	-0.1%	(9)	0.0%	-	-0.1%	(9)
Liquidhub Analytics Private Limited	0.7%	879	1.4%	234	0.0%	(0)	1.8%	233
Liquidhub India Private Limited	1.1%	1,329	1.1%	178	0.0%	1	1.4%	179
Foreign subsidiaries*								
Dalian Liquidhub Consulting Services Ltd Co.	0.0%	16	0.0%	2	0.0%	-	0.0%	2
Annik Inc.	0.5%	586	2.9%	481	-0.7%	22	3.8%	504
Liquidhub Sp. z.o.o.**	0.0%	-	0.0%	3	0.0%	-	0.0%	3
Annik UK LTD***	0.0%	7	0.0%	(1)	0.0%	-	0.0%	(1)
Liquidhub PTE. LTD.	0.0%	(17)	0.0%	(2)	0.0%	-	0.0%	(2)
"Adjustment arising out of consolidation"	-2.9%	(3,671)	-0.1%	(23)	0.0%	1	-0.2%	(22)
TOTAL	**100.0%**	**124,875**	**100.0%**	**16,569**	**100.0%**	**(3,342)**	**100.0%**	**13,227**

*Subsidiaries of Liquidhub Analytics Private Limited

**Liquidhub Sp. z.o.o. was sold on 26 June 2019 to Capgemini Polska Sp.z.o.o

***Annik UK LTD has filed for liquidation on 17 December 2019. However, same is pending subject to approvals from authorities and the entity is legally active as on 31 March 2020

50 Specified bank notes (SBN)

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.

51 Managerial remuneration

During the year ended 31 March 2016, the Company paid remuneration amounting to Rs. 291 to its whole-time director. Such amounts paid were in excess of the limits specified in section 197 of the Companies Act, 2013 ('the Act') and Schedule V of the Act. The Company approved resolutions in Board meeting held on 23 November 2016 and shareholders' meeting held on 29 December 2016 seeking approval for the excess remuneration paid and subsequently filed an application to the Central Government on 22 February 2017 to ratify excess remuneration paid aggregating to Rs. 221. Pursuant to the application made by the Company, the Central Government, vide its order dated 1 December 2017, approved remuneration amounting to Rs. 118 and directed the Company to recover excess remuneration of Rs. 173. The Company had recorded such excess remuneration as recoverable from the director under 'other current financial assets' (refer note 16) as on 31 March 2019. The Company had filed for a review petition on 23 April 2018 against the Central Government order. Subsequently, the Central Government responded, vide its order dated 6 May 2019 stating that no action was pending at its end and that the onus of compliance with the Act lies with the Company.

The Companies (Amendment) Act, 2017 ("2017 Amendment Act") inserted a new Section 197(17) and amended Sections 197(9) and 197(10) effective 12 September 2018. In view of the newly notified Section 197 (17), on and from the commencement of the 2017 Amendment Act, any application made to the Central Government under the provisions of the erstwhile section 197, which is pending with the Government shall abate, and the Company shall, within one year of such commencement, obtain the shareholders' approval by way of a special resolution to waive off the excess amount receivable from the whole-time director.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

Pursuant to Central Government's response and the 2017 Amendment Act, the Company obtained shareholders' approval to waive off the excess amount receivable from the whole-time director through a special resolution on 2 September 2019 via postal ballot in accordance with the provisions of the Act. Accordingly, no amount is recoverable from the director as on 31 March 2020 and the same has been debited to the Consolidated Statement of Profit and Loss during the year.

52 Merger schemes pending with National Company Law Tribunal, Mumbai (NCLT)

(i) The Company had filed an application with the Hon'ble High Court of Judicature of Bombay in August 2016 to merge IGATE Infrastructure Management Services Limited with the Group effective 1 April 2017 under Section 391 to 394 of the Companies Act, 1956 pursuant to the approval of the scheme by Board of Directors on 18 July 2016. The said matter got transferred to the National Company Law Tribunal ('NCLT') consequent to the notification of provisions relating to scheme of merger under Companies Act, 2013 by the Ministry of Corporate Affairs and to transfer all proceedings pending under Companies Act, 1956 before the various High Courts to the relevant benches of NCLT w.e.f 15 December 2016. In addition to the original scheme of merger, the Board of Directors have approved certain amendments to the scheme on 23 June 2017. The Company has filed the amended scheme of merger with NCLT, Mumbai. Approval for the application is still awaited.

(ii) The Company has filed an application with the NCLT on 25 July 2020 to merge Liquidhub Analytics Private Limited and Liquidhub India Private Limited with the Company, under sections 230 to 232 of the Companies Act, 2013. The appointed date for the merger is 1 April 2020. The merger scheme was approved by the Company's Board of Directors on 26 June 2020.

53 Overdue receivables for export services

As on 31 March 2020, the Group has foreign currency receivables amounting to Rs. 635 (31 March 2019: 354) which is outstanding for a period exceeding nine months from the invoice date. As per the RBI Master Circular No. 14/2015-16 on Export of Goods and Services updated on 16 July 2015, "It is obligatory on the part of the exporter to realize and repatriate the full value of goods or services to India within a period of nine months from the date of export". The export proceeds against these dues have not been repatriated within the stipulated period under the FEMA Rules and Regulations. Management does not expect any penalties/levies in this regard as it has already filed for extension of time for collecting the dues of Rs. 635 (31 March 2019: 354) with authorised dealer and is awaiting confirmation.

54 COVID-19 Impact

The World Health Organization in February 2020 declared outbreak of Coronavirus (COVID -19) as a pandemic. The pandemic has been rapidly spreading throughout the world, including India. Governments around the world including India have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. The COVID -19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Consequently, the Group's offices also had to be closed down for a considerable period of time, including after the year end.

Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdown in the preparation of the financial statements including the assessment of recoverable values of its assets. The Group is monitoring the situation closely taking into account directives from the Government. At this stage, the Group considers it is in a position, notably due to its digital capabilities, to ensure continuity of services currently demanded by its clients. However the Group will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.

Given the effect of these lockdowns on the overall economic activity, the impact assessment of COVID-19 on the financial statement is subject to estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from that estimated as at the date of approval of these financial statements.

55 Transfer pricing

The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, The Group is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year. The Group is required to update and put in place the information latest by the due date of filing its income tax return (30 November 2020). The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

Notes to the consolidated financial statements for the year ended 31 March 2020 *(Contd.)* *(Currency : INR in million)*

56 Previous year comparatives

Previous year's figures have been regrouped or reclassified as detailed below to conform to current year's presentation.

Account head transferred from	Account head transferred to	Amount
Cash and cash equivalents	Bank balances other than cash and cash equivalents	2
Non-current provisions	Current provisions	3,035
Other non-current assets	Other current assets	103
Trade receivables	Other current financial liabilities	221

Signatures to Note 1 to 56 form an integral part of the consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Mathur
Partner
Membership No: 046476

Place : Mumbai
Date : 27 July 2020

For and on behalf of the Board of Directors of
Capgemini Technology Services India Limited
CIN-U85110PN1993PLC145950

Srinivasa Rao Kandula
Wholetime Director & Chairman
DIN: 07412426
Place : Bengaluru

Ashwin Yardi
Wholetime Director & Chief Executive Officer
DIN: 07799277
Place : Mumbai

Armin Billimoria
Company Secretary
FCS - 8637
Place : Mumbai
Date : 27 July 2020

Sujit Sircar
Chief Financial Officer
Place : Bengaluru

https://www.capgemini.com/in-en/what-we-do/group-overview/
Capgemini-technology-services-india-limited-formerly-known-as-igate-global-solutions-limited/

Capgemini Technology Services India Limited

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