

Annual Report

2015-16

IGATE Global Solutions Limited

People matter, results count.

 **Capgemini**
CONSULTING.TECHNOLOGY.OUTSOURCING

Board of Directors



Kalpana Rao



R Ramaswamy



Hubert Giraud



Sujit Sircar

Audit Committee

R Ramaswamy: Chairman

Kalpana Rao

Sujit Sircar

Nomination & Remuneration Committee

Kalpana Rao: Chairperson

R Ramaswamy

Hubert Giraud

Stakeholders Relationship Committee

R Ramaswamy: Chairman

Kalpana Rao

Sujit Sircar

CSR Committee

Kalpana Rao: Chairperson

R Ramaswamy

Sujit Sircar

Company Secretary



Mukund Srinath

Auditors

B S R & Co. LLP

Firm registration: 101248W/W100022

Chartered Accountants

1st Floor Lodha Excelus, Apollo Mills Compound,
NM Joshi Marg, Mahalakshmi, Mumbai - 400 011

Registrar & Share Transfer Agent

Karvy Computershare Pvt. Ltd.,

Karvy Selenium Tower B,

Plot No.31-32,Gachibowli,Financial District,

Nanakramguda, Hyderabad - 500 032

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NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of IGATE Global Solutions Limited will be held at 10.00 a.m. on Thursday, December 29, 2016, at No.14, Rajiv Gandhi Infotech Park, Hinjawadi, Phase III, MIDC-SEZ, Village Man, Taluka Mulshi, Pune - 411 057, Maharashtra to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements as at March 31, 2016 together with the Auditors' Report thereon and the Board's Report including the Secretarial Audit Report.
2. To appoint a Director in place of Mr. Sujit Sircar (DIN: 00026417) who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of the Statutory Auditors and to fix their remuneration and pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 139, 141, 142 and other applicable provisions of the Companies Act, 2013 and the allied Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the appointment of Messrs. B S R & Co. LLP (ICAI Firm registration number 101248W/W100022), as the Statutory Auditors of the Company to hold office as such till the conclusion of 27th Annual General Meeting be and is hereby ratified to hold office from the conclusion of the 23rd Annual General Meeting until the conclusion of the 24th Annual General Meeting .

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

SPECIAL BUSINESS:

4. To approve the revision/ratification of the remuneration paid to Mr. Sujit Sircar, Whole-Time Director of the Company in excess of 5% of the net profits of the Company and to waive the recovery of the excess sum refundable by the Whole-Time Director and to consider and, if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED THAT subject to the approval of the Central Government and pursuant to the provisions of Sections 196, 197 of the Companies Act 2013 ("Act") and such other applicable provisions, if any, of the Act and rules made thereunder read with Schedule V, the members be and hereby ratify the remuneration paid to Mr. Sujit Sircar, Whole-Time Director (DIN: 00026417) of the Company for the financial year 2015-16 which is in excess of the limits prescribed under Schedule V of the Companies Act, 2013 in view of the inadequacy of profits for the financial year 2015-16 and do hereby waive the recovery of the above mentioned sum of excess remuneration paid to him and also confirm and consent to the consequential retention thereof by him.

RESOLVED FURTHER THAT subject to the applicable provisions of the Act read with Schedule V of the Act and subject to the approval of the Central Government, and such other permissions, sanction(s) as may be required, the ratification of the members as accorded for the payment to Mr. Sujit Sircar, of such excess remuneration as aforesaid shall be in partial modification of the resolution passed at the Annual General Meeting of the Company held on December 28, 2015 for appointment and remuneration payable to Mr. Sujit Sircar, Whole-Time Director (DIN:00026417).

RESOLVED FURTHER THAT the Board shall have the liberty and the Board be and is hereby authorised to amend, alter or otherwise vary the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Sujit Sircar subject to the provisions of the Act and to take such steps as may be necessary for obtaining such statutory, contractual or any other approvals including approval of the central government in relation to the above to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings as may be necessary on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, expedient and incidental from time to time for giving effect to the forgoing resolution.

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule V of the Act, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration), that is, the salary, perquisites, allowances, etc. within such prescribed limit and subject to such approvals as may be required by law.

RESOLVED FURTHER THAT approval of the members be and is hereby given to the Company to make an application under Section 460 of the Act, if required for the delay in submission of application to the Central Government seeking approval for remuneration paid to Mr. Sujit Sircar, Whole-Time Director for the period April 1, 2016 to March 31, 2016 .

RESOLVED FURTHER THAT any of the Directors of the Company, Mr. Mukund Srinath, Senior Vice President-Legal and Company Secretary of the Company be and are severally authorized to file the necessary forms/ returns with the Registrar of Companies and/ or any other regulatory authorities, enter the name of the director in the register of directors of the Company and do all other acts and deeds, so as to give effect to the foregoing."

By Order of the Board of Directors
For IGATE Global Solutions Limited

Mukund Srinath
Senior Vice President - Legal
& Company Secretary
FCS: 2952

Date : November 23, 2016
Place: Mumbai

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

NOTES:

- I. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- II. 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. XII. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately.
- III. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- IV. In terms of Section 152 of the Companies Act, 2013, Mr. Sujit Sircar (DIN: 00026417) Director, retires by rotation at the Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment.
- V. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- VI. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
- VII. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- VIII. Relevant documents referred to in the accompanying Notice and the Statements are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
- IX. Register of Members and Share Transfer Books of the Company will remain closed from Friday, December 23, 2016 to Thursday, December 29, 2016 (both days inclusive).
- X. 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 advise any change in their address or bank mandates immediately to the Company or its Registrars and Transfer Agents, Karvy Computershare Private Limited (Karvy).
- XI. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2008-09, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on December 28, 2015 (date of the last Annual General Meeting) on the website of the Company (www.in.capgemini.com) as also on the website of the Ministry of Corporate Affairs.

Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication electronically including Annual Report, Notices, Circulars, etc. from the Company.

XII. Information and other instructions relating to e-voting are as under:

(i) E-Voting:

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

The Company has appointed Mr. Shailesh Indapurkar, Practising Company Secretary as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The e-voting rights of the shareholders/beneficiary owners shall be reckoned on the equity shares held by them as on Friday, December 23, 2016 being the cut-off date for the purpose. Shareholders 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: i) From Karvy Computershare Private Limited - website: <http://evoting.karvy.com>
- (b) Shareholders 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.
- (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, 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.
- (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., IGATE GLOBAL SOLUTIONS LIMITED.
- (h) On the voting page, enter the number of shares as on the cut-off date, December 23, 2016 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) Shareholders holding multiple folios / Demat account shall choose 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, shareholders can login any number of times till they have voted on the resolution.
- (k) Corporate/Institutional Members (Corporate/FIs/FILs/Trust/Mutual Funds/Banks etc.) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through E-mail to indapurkarcs@gmail.com with copy to evoting@karvy.com. The files 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 shareholder, he shall not be allowed to change it subsequently.
- (m) The Portal will be open for voting from Monday December 26, 2016 at 9.00 a.m. and ends on Wednesday, December 28, 2016 at 5.00 p.m. (both days inclusive).
- (n) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Karvy Computershare Private Limited at Tel No. 1800 345 4001 (toll free).

EXPLANATORY STATEMENT

(Pursuant to the Section 102 of the Companies Act, 2013)

The following explanatory statement sets out the material facts relating to the Special Business mentioned in the accompanying Notice of the Annual General Meeting to be held on December 29, 2016.

Item No. 4:

The Company has paid a total remuneration of Rs. 29,08,25,681/- to Mr. Sujit Sircar (DIN 00026417) Whole-Time Director of the Company, for the financial year ended March 31, 2016 in which the profits earned by the Company are inadequate for the purposes of payment of managerial remuneration as per the Companies Act, 2013 ("Act").

The Nomination and Remuneration Committee of the Board of Directors of the Company ("Board") in its Meeting held on November 23, 2016 recommended to the Board to ratify the remuneration paid to Mr. Sujit Sircar in excess of 5% of the net profits of the Company and to also waive the recovery of the excess sum refundable by Mr. Sujit Sircar, Whole-Time Director subject to the approval of the Shareholders and the Central Government. Thereafter, based on the recommendations of Nomination and Remuneration Committee, the Board at its Meeting held on November 23, 2016 ratified the remuneration paid to Mr. Sujit Sircar for the financial year 2015-16 (which is in excess of 5% of the net profits of the Company) and also waived the recovery of the excess sum refundable by Mr. Sujit Sircar to the Company subject to the approval of the Shareholders and the Central Government.

As per Section 197 of the Act and provisions of Schedule V of the Act, any remuneration payable to any one Whole-Time Director of the Company shall not exceed 5% of the net profits of the Company. The remuneration of Rs. 29, 08, 25,681 (Twenty Nine Crores Eight Lakhs Twenty Five Thousand and Six Eighty One only) paid to Mr. Sujit Sircar for the financial year 2015-16 exceeds 5% of the net profits of the Company. In view of the above, the Company requires the approvals of the Shareholders and the Central Government to waive the recovery of the said excess sum of managerial remuneration paid to and refundable by Mr. Sujit Sircar as a Whole-Time Director to the Company. The Company shall also make an application to the Central Government seeking its approval for waiving the recovery of the excess remuneration paid to Mr. Sujit Sircar.

Disclosures as required under Schedule V of the Act are disclosed below.

Mr. Sujit Sircar, aged 48, is a Member of the Board of the Company. Mr. Sircar has previously served as Chief Financial Officer, of the Company since June 2008 until January 2015. Mr. Sircar joined the Company in April 1998 as a Senior Manager – Finance; he was promoted to the position of Financial Controller in April 2001, and served as Financial Controller until May 2005. In May 2005, he was promoted to the position of Senior Vice President- Finance, and served in that position until June 2008. He was appointed to the Board of Directors of the Company on January 01, 2010. Mr. Sircar's professional experience consists of extensive experience and exposure covering Corporate Finance, Treasury Management, Domestic and International Taxation, and Accounting and Business Laws.

He started his career in Wipro Limited and was instrumental in setting up the finance processes for its joint venture with British Telecom. In his five year stint with Wipro Limited, he handled various job responsibilities and was the Finance Head for various divisions of the Company.

Mr. Sujit Sircar is a Chartered Accountant by qualification and is an Associate Member of the Institute of Chartered Accountants of India. He holds a Bachelor of Commerce degree from the University of West Bengal.

Approval of the Shareholders is sought for ratification of the excess remuneration paid for the financial year ended March 31, 2016 to Mr. Sujit Sircar as Whole-Time Director of the Company and waiver of the said excess remuneration paid to Mr. Sujit Sircar as Whole-Time Director in the financial year 2015-2016.

The Board recommends the relevant resolutions for your consideration and approval as Special Resolution.

None of the Directors, Key Managerial personnel and relatives thereof other than Mr. Sujit Sircar is concerned or interested in the said resolution.

DISCLOSURE AS PER THE PROVISIONS OF PART II SECTION II (B) (IV) OF SCHEDULE V OF THE COMPANIES ACT, 2013 IN RESPECT TO ITEM NO 4

I. General information

1. Company Information and Nature of Industry:

IGATE Global Solutions Limited (IGSL) is an unlisted public limited Company incorporated on December 27, 1993 under the provisions of Companies Act, 1956, as Mascot Systems Private Limited in the State of Karnataka. The name of the Applicant Company was subsequently changed from Mascot Systems Private Limited to Mascot Systems Limited on January 31, 2000 on becoming a public limited company in accordance with the provisions of the Companies Act, 1956. The name of the Applicant Company was subsequently changed from Mascot Systems Limited to its present name on June 23, 2003.

IGSL delisted itself from the Indian Stock Exchanges in 2008. The Company has approximately 13,000 shareholders. IGSL provides customized and packaged application development, application maintenance outsourcing, business intelligence services and application re-engineering through large offshore development centers in Bengaluru, Chennai, Pune, Mumbai and Hyderabad.

IGSL is a fully independent organization within the Capgemini portfolio of e-services companies. To meet its strategic objectives, IGSL provides a range of services using appropriate delivery models which are chosen to leverage its core

competencies to deliver as per customer needs. IGSL provides these services in a variety of computing environments, using the latest advancements in client/server architectures object oriented programming, distributed databases and networking and communication technologies.

2. Specific Information:

Nature of Industry	Providing information technology and information technology enabled services
Date or expected date of Commercial Production	N.A. since the Company has already commenced its business activities
In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.

3. Financial performance

(Rs. in crores)

Particular	For the year /period ended		
	March 31, 2015	March 31, 2014	March 31,2013
Total income	35,355	35,756	36,293
Profit before tax	6,371	6,499	6,846
Profit after tax	5,432	4,944	5,349

4. Foreign investments or collaborations if any:

The Company does not have any foreign collaboration. As per the shareholding pattern as on November 23, 2016, Foreign Promoters hold 5,90,02,361 equity shares of the Company, constituting 99.77% of the total paid up share capital of the Company.

II. Information about the appointee Mr. Sujit Sircar

1. Background details

The Whole-Time Director Mr. Sujit Sircar, aged 48, is a Member of the Board of the Company. Mr. Sircar has previously served as Chief Financial Officer of the Company since June 2008 until January 2015. Mr. Sircar joined the Company in April 1998 as Senior Manager – Finance; he was promoted to the position of Financial Controller in April 2001, and served as Financial Controller until May 2005. In May 2005, he was promoted to the position of Senior Vice President- Finance, and served in that position until June 2008. He was appointed to the Board of Directors of the Company on January 01, 2010. Mr. Sircar's professional experience consists of extensive experience and exposure covering Corporate Finance, Treasury Management, Domestic and International Taxation, and Accounting, Business Laws and M&A functions. He has over 25 years of experience in the field of Corporate Finance with core competence in strategic business planning, forex, treasury and fund management. He was also instrumental in driving innumerable Mergers & Acquisitions the Company made during the last 12 years.

He started his career in Wipro Limited and was instrumental in setting up the finance processes for its joint venture with British Telecom. In his five year stint with Wipro Limited, he handled various job responsibilities and was the Finance Head for various divisions of the company.

Mr. Sujit Sircar is a Chartered Accountant by qualification and is an Associate Member of the Institute of Chartered Accountants of India. He holds a Bachelor of Commerce degree from the University of West Bengal.

2. Past remuneration:

(Rs.)

Particulars	For FY 2014-15	For FY 2013-14	For FY 2012-13
Salary and allowances	3,84,80,773	1,97,53,511	1,71,53,689
Company's contribution to Provident Fund	1,883,700	1,241,850	4,32,000
Commission	NA	NA	NA
TOTAL	40,364,473	20,995,361	17,585,689

3. Recognition or Awards:

Mr. Sircar has received a number of awards for his contribution to business. He is member of the Expert Committee on Direct Tax for Bangalore Chamber of Industry and Commerce and CFO Club in India. Mr. Sircar has been honoured with 'CFO100 League of Excellence' Awards at the 5th Annual CFO100 Programme held at USA. Mr. Sircar has won IMA India's 'The Ninth India CFO Award for the year 2013' in the 'Excellence in Mergers & Acquisitions' category.

4. Job profile and his suitability

Mr. Sujit Sircar is a visionary and leverages his in-depth understanding of the business to enhance the growth of the Company.

Mr. Sujit Sircar heads a strong team of managers and is at the helm of affairs, guiding the group to its present status in the Industry. With a vision and keen understanding of the dynamic IT Service industry trends he has helped the Company set high performance standards.

His implicit sense of business has enabled the Company to carve a niche for itself in the IT Service Industry. With a strong business strategy, Mr. Sircar has ensured that the Company has been consistently growing.

5. Remuneration proposed

The remuneration paid during the financial year 2015-16 during his tenure as Whole-time Director is detailed in the explanatory statement.

6. Comparative remuneration profile with respect to industry, size of company, profile of the position and person

The proposed remuneration is comparable and competitive, considering the industry, size of the company, the managerial position and the credentials of the Whole-Time Director of the Company.

The remuneration paid to the Whole-Time Director was in excess of limits specified under Section 197 and Schedule V of the Act for the year ended March 31, 2016 as a result of the acceleration of Stock Options and Stock Awards held by him in IGATE Corporation (Holding Company) due to change in control of the then ultimate Holding Company on July 01, 2015.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any:

Except the remuneration and perquisites as stated above, Mr. Sircar is not holding any shares in the Company; he has no direct or indirect pecuniary relationship with the Company. He holds Stock Options and Stock Awards in erstwhile IGATE Corporation.

III. Other information:

1. Reasons of loss or inadequate profits

The IGATE Group was globally acquired by the Capgemini Group on July 01, 2015. Capgemini India Pvt. Ltd. was amalgamated with the Company with an appointed date of April 01, 2015 vide Order dated September 29, 2016 of the Honorable Bombay High Court. The combined financials have resulted in a profit of Rs. 1,288 Million before tax and a loss of Rs. 76 Million after tax for the year ended March 31, 2016. This is primarily on account of non-operating expense of amortization of goodwill of Rs. 9,466 Million which is arising out of amalgamation of Capgemini India Pvt. Ltd with the Company.

2. Steps taken or proposed to be taken for improvement

The financial results of the Company (combined with the erstwhile Capgemini India Private Ltd) for the year ended March 31, 2017 is expected to bring in economies of scale resulting in increase in profits before and after tax.

3. Expected increase in productivity and profits in measurable terms.

As explained above, the financial results for 2016-17 are expected to generate profits after tax.

IV. Disclosures:

1. The shareholders of the Company shall be informed of the remuneration package of the managerial person:
Details furnished in the resolution.
2. Other Disclosures:
Not Applicable.

By Order of the Board of Directors
For IGATE Global Solutions Limited

Mukund Srinath
Senior Vice President - Legal
& Company Secretary
FCS: 2952

Date: November 23, 2016
Place: Mumbai

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

BOARD'S REPORT

Dear Members

The Directors are pleased to present the Twenty Third Board's Report and the Audited Financial Statements for the year ended March 31, 2016.

FINANCIAL RESULTS

(Rs. In million)

	2015-16	2014-15
Income		
Income from operations	108,248	33,502
Other Income	2,158	1,853
Total Income (I)	110,406	35,355
Expenses		
Employee benefit expenses	72,822	19,610
Other expenses	22,622	7,878
Depreciation and amortization expense	13,626	1,419
Finance costs	48	50
Total (II)	109,118	28,957
Profit before tax (I) –(II)	1,288	6,398
Tax expenses		
Current tax		
-Current Year	581	1,500
-Earlier Years	39	(664)
-MAT Credit	1058	0
Deferred tax	(313)	130
Total tax expenses	1,364	966
Profit after taxes	(76)	5,432
Profit brought forward	25,944	25,689
Transfer pursuant to scheme of Amalgamation	-	1,318
Adjustment pursuant to Buyback of shares	-	(6,464)
Transfer to Capital Redemption Reserve	-	(29)
Adjustment pursuant to Scheme of Amalgamation	-	(2)
(Loss)/Profit for the period	(76)	5432
Balance carry forward	25,868	25,944

OPERATIONS REVIEW

Previous year figures are not comparable with that of the current year's, as the current year figures include that of Capgemini India Private Limited (CGIPL) (CIN: U72200MH1992PTC197069) consequent upon the merger of CGIPL with the Company. Also previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

BUSINESS ACTIVITIES

- Scheme of Amalgamation between the Company and Capgemini India Private Limited (CGIPL);**
Pursuant to the approval of the Scheme of Amalgamation ('the Scheme') by the Shareholders of your Company and CGIPL and the Order dated September 29, 2016 of the Hon'ble High Court having jurisdiction at Bombay, the amalgamation became effective from November 14, 2016. The Appointed Date fixed under the Scheme of Arrangement was April 01, 2015. Pursuant to the merger, the erstwhile Shareholders of CGIPL, who were holding shares of CGIPL as on the Record Date i.e., November 14, 2016, Equity Shares of the Company in the ratio of 464:10 were allotted i.e., 6,89,898 ('shares') of CGIPL were exchanged for 32,011,266 ('shares') of the Company. It may be noted that the Company has presented the merged financial results of the Company (post giving effect of the said Scheme of Amalgamation) for the year ended March 31, 2016.

- **Scheme of Amalgamation between Pune Software Park Private Limited and Capgemini India Private Limited (CGIPL);**
The Board of Directors of CGIPL in their Meeting dated March 30, 2015, in principle approved the Scheme of Amalgamation ('the Scheme') of Pune Software Park Private Limited ('Transferor Company') with CGIPL (amalgamated with the Company with effect from November 14, 2016). The Hon'ble High Court having Judicature at Bombay approved the Scheme on February 26, 2016 the amalgamation became effective from April 14, 2016. The Appointed Date fixed under the Scheme is April 1, 2015.
- **Scheme of Amalgamation between Capgemini Business Services (India) Private Limited and Capgemini India Private Limited (CGIPL);**
The Board of Directors of CGIPL, at their Meeting held on April 29, 2015 approved the Scheme of Amalgamation ('the Scheme') of Capgemini Business Services (India) Private Limited ('Transferor Company') with CGIPL (amalgamated with the Company with effect from November 14, 2016). The Hon'ble High Court having Judicature at Bombay approved the Scheme on December 18, 2015 the amalgamation became effective from January 21, 2016. The Appointed Date fixed under the Scheme is April 1, 2015.
- **Scheme of Amalgamation of IGATE Infrastructure Management Services Limited (IGIMS) with the Company;**
To get aligned with the global entity reduction program as adopted by the Group to achieve operational efficiency and cost minimization through the reduction in the number of legal entities around the world that make up the Group, your Board at its meeting held on July 18, 2016, approved the Scheme of Amalgamation ('the Scheme') IGIMS with the Company. The Appointed Date fixed under the Scheme was April 01, 2016. Company Summons for Direction has been filed with Hon'ble High Court having judicature at Bombay on August 01, 2016.
- **Subsidiaries**
The Company has wholly owned subsidiaries viz. IGATE Infrastructure Management Services Limited and IGATE Singapore Pte. Ltd.
In line with the Group's overall business strategy:
 - The Company disinvested the shares held in Patni Computer Systems GmbH (Germany), a wholly owned subsidiary of the Company by sale of shares to Capgemini Deutschland GmbH on August 9, 2016.
 - The Company disinvested the shares held in IGATE Global Solutions Mexico S.A. de CV, a wholly owned subsidiary of the Company by sale of shares to Capgemini MÉXICO, S. DE R.L. DE C.V on July 01, 2016.
 - The Company's wholly owned subsidiary PCS Computer Systems Mexico SA de CV was liquidated with effect from June 03, 2016.

Share Capital

The Authorized Capital of the Company as on November 23, 2016 was Rs. 2,54,75,00,000 (Rupees Two Hundred Fifty Four Crores Seventy Five Lakhs only) divided into 24,39,50,000 (Twenty Four Crores Thirty Nine Lakhs Fifty Thousand) Equity Shares of Rs. 10 (Rupees ten only) each and 1,08,00,000 (One Crore Eight Lakhs) preference shares of Rs. 10 (Rupees ten only) each. Authorised Capital of CGIPL as on November 14, 2016 Rs. 1,63,00,00,000 equity shares was added with Company's Authorised Capital pursuant to the Scheme of Amalgamation.

The Issued and Paid-up Capital of the Company as on November 23, 2016 stood at Rs. 59,13,95,000 (Rupees Fifty Nine Crores thirteen Lakhs Ninety Five Thousand only) divided into 5,91,39,500 (Five Crores Ninety-one Lakhs Thirty-nine Thousand Five hundred) equity shares of Rs. 10 (Rupees ten only) each.

Particulars of loans, guarantees and investments

The particulars of loans, guarantees and investments have been disclosed in the financial statements. There have been no investments made or guarantees given under Section 186 of the Companies Act, 2013 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.

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 March 31, 2016 was 90,191.

Dividend

Keeping in view the future strategic initiatives of the Company, your Directors do not recommend any dividend for the year ended March 31, 2016.

Transfer to General Reserves

No amount is proposed to be transferred to the general reserve.

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.

Adequacy of internal 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.

Fixed Deposits

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

Directors' Responsibility Statement

Pursuant to the requirements of Section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards has been followed and there are no material departures;
- ii. 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;
- iii. 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;
- iv. They have prepared the annual accounts on a going concern basis;
- v. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Directors and Key Managerial Personnel

Pursuant to the provisions of Section 149 of the Companies Act, 2013 (Act), Ms. Kalpana Rao (DIN: 07093566) and Mr. R. Ramaswamy (DIN: 00038146) were appointed as Independent Directors at the Annual General Meeting of the Company held on December 28, 2015. They have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as Independent Director during the year.

In accordance with the provisions of the Act and in terms of the Memorandum and Articles of Association of the Company, Mr. Sujit Sircar (DIN: 00026417) retires by rotation and is eligible for re-appointment.

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

Nine (9) Meetings of the Board of Directors of the Company were held during the year. The maximum interval between two Meetings did not exceed 120 days.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company are Mr. Sujit Sircar, Whole-Time Director, Mr. Nagesh Kumar, Chief Financial Officer and Mr. Mukund Srinath, Company Secretary. There has been no change in the Key Managerial Personnel during the year.

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 I.

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 II to this report.

Statutory Auditors

Messrs. BSR & Co LLP (ICAI Firm Registration Number 101248W/W100022) were appointed as the Statutory Auditors of the Company in the Annual General Meeting held on December 28, 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. As per the provisions of Section 139 of the Act, the appointment of the Statutory Auditors is required to be ratified by Members at every Annual General Meeting. Accordingly, the appointment of Messrs. BSR & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company shall be placed for ratification by the Members in the ensuing Annual General Meeting. The Board has proposed the above, subject to the approval of the Members in the ensuing Annual General Meeting. In this regard, the Company has received a certificate from the Auditors to the effect that their ratification of appointment,

if made, would be within the limits prescribed under Section 141 of the Act and that they are not disqualified for such appointment within the meaning of the said section.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Vijayakrishna K T, Practising Company Secretary (CP: 980), to conduct the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as Annexure III. The Secretarial Auditor has made a qualified opinion relating to the managerial remuneration amounting to Rs. 291 million paid to a Whole-Time Director. The amount paid is in excess of the limits specified under section 197 and Schedule V of the Act.

The Company wishes to clarify that the remuneration paid to the Whole-Time Director was in excess of limits specified under Section 197 and Schedule V of the Act for the year ended March 31, 2016 as a result of the acceleration of Stock Options and Stock Awards due to change in control of the then ultimate Holding Company on July 01, 2015. The Company is obtaining the necessary approvals as required under the law to ratify such excess remuneration paid.

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 Rs. 97, 323 million in foreign exchange as against 33,157 million in the previous year. Exchange outgo, including capital goods was Rs. 9,499 million as against Rs. 6,681 million in the previous year.

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.

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 IV 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.

Vigil Mechanism

The Company has established a Code of Ethics and Business Conduct (Code) which is applicable to its Employees and Directors. 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.

Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The 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 2015-16, the Company had received 19 complaints on sexual harassment; all were investigated and disposed of with appropriate action taken and no complaint remained pending as on March 31, 2016.

Extract of Annual Return

As provided under Section 92 (3) of the Act, the extract of annual return is given in Annexure V in the prescribed Form MGT-9, which forms part of this report.

Board evaluation

The Board of Directors had carried out an annual evaluation of its own performance; the Directors individually as well as the evaluation of the working of the Board Committees viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders'

Relationship Committee and Corporate Social Responsibility Committee as required under sub – Section 3 of Section 134 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 Board and the Nomination and Remuneration Committee (NRC) reviewed the performance of the individual Directors on the basis of criteria such as contribution at Board/Committee Meetings, their preparedness on the issues to be discussed, guidance to the Management.

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.

Review of Subsidiaries, Associates and Joint Venture Companies

As on March 31, 2016, your Company has subsidiaries in India, Singapore, China and joint venture with Thesys Technologies LLC in Dubai.

As per Section 129 (3) of the Companies Act, 2013, the Consolidated Financial Statements of the Company and its Subsidiaries, Joint Ventures and Associates, prepared in accordance with the relevant Accounting Standard specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, form 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 VI in this Annual Report.

There have been no material changes in the nature of the business of the Subsidiaries (including Associates and Joint Ventures) during the financial year 2015-16. 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.

Particulars of Contracts or Arrangements with Related Parties

Information on transactions with related parties pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given as Annexure VII in Form AOC-2 in this Annual Report.

Companies which have become or ceased to be Subsidiaries

The following companies ceased to be the Subsidiaries of the Company:

1. Mascot Systems GMBH (Merged with Patni Computer Systems GmbH)
2. IGATE Computer Systems Japan Inc. (liquidated)
3. IGATE Global Solutions Mexico SA de CV (Sale of shareholding)
4. Patni Computer Systems Indonesia (liquidated)
5. Patni Computer Systems GmbH (Sale of shareholding)
6. PCS Computer Systems Mexico (liquidated)
7. Pune Software Park Private Limited (Merged with CGIPL)
8. Capgemini Business Services (India) Private Limited (Merged with CGIPL)

Consolidation of Accounts

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.

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.

For and on behalf of the Board of Directors
IGATE Global Solutions Limited

Place: Mumbai
Date: November 23, 2016

Sujit Sircar
Director
DIN: 00026417

R. Ramaswamy
Director
DIN: 00038146

Addendum to Board's Report for the year 2015-16 in respect of observation made by Statutory Auditors on the accounts of the Company for the year ended 31st March 2016.

Sl. No.	Statutory Auditors' Observation	Company's Reply
1	In note 50 to the standalone financial statements, for the year ended March 31, 2016, the Company has paid managerial remuneration amounting to Rs. 291 million to a Whole-Time Director. The amount paid is in excess of the limits specified under Section 197 and Schedule V of the Act. The Company is in the process of convening meetings of the Board of Directors and the shareholders of the Company and thereafter seeking the approval of the Central Government to ratify such excess remuneration paid.	The remuneration paid to the Whole-Time Director for the year ended March 31, 2016 was in excess of limits specified under Section 197 and Schedule V of the Act for the year ended March 31, 2016. This was as a result of the acceleration of Stock Options and Stock Awards due to change in control of the then ultimate Holding Company on July 01, 2015. The Company is obtaining the necessary approvals as required under the law to ratify such excess remuneration paid.

**For and on behalf of the Board of Directors
IGATE Global Solutions Limited**

Place: Mumbai
Date: November 23, 2016

Sujit Sircar
Director
DIN: 00026417

R. Ramaswamy
Director
DIN: 00038146

ANNEXURE I
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 II

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 2016

Top 10(including KMPs) employed throughout the financial year with an aggregate salary above Rs. 102.00 lakhs per year

Sl No.	Employee Name	Designation	Gross Remu- neration (Rs.)	Qualification/s	Experience in years	Age in years	Previous Employment and Designation	Date of Com- mencement
1	Aruna Javanthi	Corporate Vice President	2,69,79,297	MBA, B.Sc.	32	53	Aptech Ltd. - Senior Vice President	15-Feb-00
2	Arvind Kumar	Director	2,61,22,953	B.A.(Eco.)	20	41	ATNT Telecom- Senior Manager Strategic Sourcing	1-Jan-13
3	Deepankar Khiwani	Corporate Vice President	2,42,17,463	A.C.A, PGDBM	23	45	S R Badliobi- Manager (Audit & Corporate Finance)	1-Jun-98
4	Jyothi Nayani	Associate Vice President	1,90,04,260	M.Sc.(IS)	26	47	Mastech Ltd. - Project Manager	10-May-99
5	Mukund Srinath*	Senior Vice President- Legal & Company Secretary	1,35,77,465	M.Com., LL.B, FCS	32	55	SmithKline Pharma Ltd. - Sen.Mgr. - Legal & Company Secretary	2-Nov-00
6	Nagesh M Kumar *	Associate Vice President -Chief Financial Officer	1,69,52,547	B.Com., A.C.A	25	45	Sharma and Sastry, Chartered Acts- Senior Officer	14-Apr-99
7	Natarajan Radhakrishnan	Senior Vice President	2,07,15,439	CFA, PGDM	26	51	Cognizant Technology Solutions - VP- Business Solutions	30-Nov-12
8	Nikunjinaad B Patel	Associate Vice President	1,78,96,270	PGD, LL.B.	32	53	Gujarat Machinery Manufacturers Ltd - Deputy General Manager	12-Apr-99
9	Ravindra B Dekate	Vice President	2,54,76,060	B.E.	27	50	TCS Ltd.-Systems Analyst	14-Apr-97
10	Ritesh Talapatra	Senior Vice President	1,89,33,191	PGPM.	17	47	Juice Software - Senior Product Manager	10-Apr-03
11	Srinivas Rao Kandula	Executive Vice President	27,60,29,331	M.A, MBA, PhD.	27	53	Sasken Technologies Ltd. - Director -HR	8-Jan-07
12	Sujit Sircar *	Executive Director	29,08,25,681	B.Com., F.C.A.	26	48	Wipro Ltd. - Finance Manager	15-Apr-98

* Key Managerial Person

Employed for part of the year with an aggregate salary above Rs. 8.50 Lakhs per month

SL No.	Employee Name	Designation	Gross Remuneration (Rs.)	Qualifica- tion/s	Experi- ence in years	Age in years	Previous Employment and Designation	Date of Com- mencement/ Hire date	Date of Resignation
1	Kameswara Rao Bhiravabhatla	Principal Architect	47,25,501	M.S.	19	42	HCL technologies Ltd.- Senior Technical Manager	06-Mar-08	17-Feb-16
2	Kiran Khathuria	Program Manager	46,15,285	B.E.	18	41	First empoloyment	11-Aug-97	31-Mar-16
3	Palani Manoharan	Associate Director	35,59,473	B. Sc.	26	45	Bitech International- System Consultant	20-Mar-00	11-Sep-15
4	Raj Krishnan Gopalaraman	Program Manager	34,04,242	M.E.	15	38	First Employment	03-Jul-00	28-Oct-15
5	Ravi B V	Director	58,50,573	B.E.	27	48	Glaxo Smithkline Pharma. Ltd.- Asst. Manager Engineering	12-Feb-04	01-Jul-15
6	Smita Pundhir	Senior Manager Projects	26,60,036	B.E.	17	39	JP Morgan Service India Pvt. Ltd.- Officer	29-Mar-10	15-Jun-15
7	Sriram Medepalli	Associate Vice President	1,04,89,708	MCA	27	48	Tech Mahindra Ltd. - Sr. Consultant	16-Sep-10	08-Feb-16
8	Sudarsana Reddy Yerabandi	Lead Consultant	32,21,853	MCA, MBA.	13	38	TVS Infotech Ltd.- Technical Consultant	09-May-05	29-Oct-15
9	Taranjit Singh Rekhi	Associate Vice President	77,03,805	B.E.	22	43	JFWTC, GE India Tech Centre, Intern Software Engineer	09-Sep-03	26-Jun-15

NOTES:

- None of the employees listed above is a relative of any Director of the Company.
- The nature of employment is contractual in all the above cases.
- None of the employees listed above own 2% or more of the paid up share capital of the Company.
- The above statement covers the remuneration paid by the Company and not by any subsidiary/ies
- Particulars of employees posted and working outside India and not being Directors or their relatives, drawing more than rupees 102 lakhs per financial year or 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

IGATE Global Solutions Limited

Place: Mumbai
Date : November 23, 2016

Sujit Sircar
Director
DIN: 00026417

R. Ramaswamy
Director
DIN: 00038146

ANNEXURE III

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015]

To

The Members,
IGATE GLOBAL SOLUTIONS LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IGATE Global Solutions Limited (CIN: U85110PN1993PLC145950) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2016 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by IGATE Global Solutions Limited for the financial year ended on 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) 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;
- (iv) The Industry specific laws applicable to the Company are as follows:
 - a) The Information Technology Act, 2000
 - b) The Special Economic Zone Act, 2005
 - c) Policy relating to Software Technology Parks of India and its regulations
 - d) The Indian Copyright Act, 1957
 - e) The Patents Act, 1970
 - f) The Trade Marks Act, 1999
- (vii) The other general laws as may be applicable to the Company including the following:

(1) Employer/Employee Related laws & Rules:

- i. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
- ii. The Apprentices Act, 1961
- iii. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
- iv. The Employees State Insurance Act, 1948
- v. The Workmen's Compensation Act, 1923
- vi. The Maternity Benefits Act, 1961
- vii. The Payment of Gratuity Act, 1972
- viii. The Payment of Bonus Act, 1965
- ix. The Industrial Disputes Act, 1947
- x. The Trade Unions Act, 1926
- xi. The Payment of Wages Act, 1936
- xii. The Minimum Wages Act, 1948
- xiii. The Child Labour (Regulation & Abolition) Act, 1970
- xiv. The Contract Labour (Regulation & Abolition) Act, 1970
- xv. The Industrial Employment (Standing Orders) Act, 1946

-
- xvi. Equal Remuneration Act, 1976
 - xvii. The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
 - xviii. The Karnataka Shops & Establishments Act, 1961
 - xix. The Industrial Establishments (National and Festival Holidays) Act, 1963
 - xx. The Labour Welfare Fund Act, 1965
 - xxi. The Karnataka Daily Wage Employees Welfare Act, 2012
 - xxii. For majority of Central Labour Laws the State has introduced Rules [names of each of the Rules is not included here]

(2) Environment Related Acts & Rules:

- i. The Environment Protection Act, 1986
- ii. The Water (Prevention & Control of Pollution) Act, 1974
- iii. The Air (Prevention & Control of Pollution) Act, 1981
- iv. Hazardous Wastes (Management, Handling and Tran's boundary Movement) Rules, 2008.

(3) Economic/Commercial Laws & Rules:

- i. The Competition Act, 2002
- ii. The Indian Contract Act, 1872
- iii. The Sales of Goods Act, 1930
- iv. The Indian Stamp Act, 1899
- v. The Transfer of Property Act, 1882

I have also examined compliances with the applicable clauses of the following:

Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS-1 and SS-2 (applicable from 1st July, 2015).

I further state that during the period under review and based on my verification of the records maintained by the Company and also on the review of compliance reports/statements by respective department heads/Chief Financial Officer/ Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the Company to monitor and ensure compliance with applicable labour laws, environmental laws and other applicable laws as mentioned above. Certain non-material findings made during the course of the audit relating to the provisions of Companies Act, Labour Laws were addressed suitably by the Management.

The Company has paid managerial remuneration amounting to Rs. 29.10 Crores to a Whole-Time Director. The amount paid is in excess of the limits specified under Section 197 read with Schedule V of the Act. The Company has represented that requisite approvals will be obtained from the Board, Shareholders and the Central Government.

Further I report that with regard to financial and taxation matters, I have relied on the Audit Report, Limited Review Report and the Internal Audit Report provided by the Statutory/Internal Auditor as the case may be.

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such case instance.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the year, the Company has not passed any resolutions through postal ballot.

I further report that based on the application filed during the year, the Hon'ble High Court of Bombay was pleased to pass order for the amalgamation of the subsidiary company namely Capgemini India Private Limited with the Company on 29th September, 2016.

Place: Bangalore
Date: October 12, 2016

(Vijayakrishna KT)
FCS No.: 1788
C P No.: 980

Note: This report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

‘Annexure’

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Central Excise Act, Customs Act, Central and State Sales Tax Act.
4. Wherever required, the Company has represented about the compliances of laws, rules and regulations and happening of events etc as applicable from time to time.
5. The compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures 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.

Place: Bangalore
Date: October 12, 2016

(Vijayakrishna KT)
FCS No.: 1788
C P No.: 980

ANNEXURE IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1	<p>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.</p>	<p>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 and rural sports) as its focus areas of support. It also provides scholarship for medical education, waste management, digital literacy and e-governance.</p> <p>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.'</p> <p>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.'</p> <p>The key objectives to achieve these goals are:</p> <ol style="list-style-type: none">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.3. To engage with state and its agencies in pursuing the development agenda for sustainable change. <p>The link to the CSR policy is given below :</p> <p>https://www.in.capgemini.com/sites/default/files/en-in/2016/03/corporate-social-responsibility.pdf</p>
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2	The composition of the CSR Committee	Mrs. Kalpana Rao, Chairperson (Independent Director) Mr. R Ramaswamy (Independent Director) Mr. Sujit Sircar (Whole-time Director)
3	Average net profits of the Company for the last three financial years	INR 12,70,15,65,022
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	INR 25,40,31,300
5	Details of CSR spend for the financial year 2015-16: a. Total amount to be spent for the financial year b. Amount unspent, if any c. Manner in which the amount spent during the financial year is detailed in the next page:	INR 15,04,77,703 INR 25,40,31,300 INR 10,35,53,597

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

SN	CSR project / activity identified	Sector in which the project is covered	Projects or programs (1) local area (2) Specify the state and district where projects or programs where undertaken	Amount outlay (budget) project/ program wise (INR)	Amount spent on projects or programs Subheads : (1) Direct expenditure (DE) (2)Overheads (OH) (INR)	Cumulative expenditure upto reporting period (INR)	Amount spent: Direct or through implementing agency (IA)
1	Enlight - Scholarship for girl child education	Education	The program is running in the local area where the Company has business presence through offices and associates in 1. Bangalore 2. Chennai 3.Gurgaon/ Delhi NCR 4.Hyderabad 5.Kolkata 6.Mumbai 7. Pune 8. Salem 9. Trichy The program is being implemented in 1. Bangalore (Karnataka) 2. Chennai (Tamil Nadu) 3. Gurgaon (Delhi NCR) 4. Hyderabad (Telangana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Salem (Tamil Nadu) 8. Trichy (Tamil Nadu)	57,00,000	DE 51,30,000	51,30,000	Implementing agency-Prerana Foundation
2	Scholarship for Technical and Medical Education of 90 students	Education	The program is running in the local area where the Company has business presence through offices and associates in 1. Bangalore 2. Chennai 3. Gurgaon/ Delhi NCR 4. Hyderabad 5.Kolkata 6. Mumbai 7. Pune 8. Salem 9. Trichy The program is being implemented in 1. Bangalore (Karnataka) 2. Chennai (Tamil Nadu) 3. Gurgaon (Delhi NCR) 4. Hyderabad (Telangana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Pune (Maharashtra) 8. Salem (Tamil Nadu) 9. Trichy (Tamil Nadu)	47,20,000	DE 42,20,000	84,20,000	IA 1. Foundation for Excellence 2. Lila Poonawalla Foundation

3	School Adoption Program - Upgrading government schools in periphery of the Company's offices	Education	<p>The program is running in the local area where the Company has business presence through offices and associates in</p> <ol style="list-style-type: none"> 1. Bangalore 2. Chennai 3. Gurgaon/ Delhi NCR 4. Hyderabad 5. Kolkata 6. Mumbai 7. Pune 8. Salem 9. Trichy <p>The program is being implemented in</p> <ol style="list-style-type: none"> 1. Bangalore (Karnataka) 2. Chennai (Tamil Nadu) 3. Gurgaon (Delhi NCR) 4. Hyderabad (Telangana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Pune (Maharashtra) 8. Salem (Tamil Nadu) 9. Trichy (Tamil Nadu) 	3,75,66,100	DE 2,94,45,993 OH 32,71,777	3,38,09,490	IA <ol style="list-style-type: none"> 1. Deenabandhu Trust 2. Digital Empowerment Foundation 3. Hope Foundation 4. Plan International (India chapter) 5. SSRVM Trust
4	NDLM	Education	<p>The program is running in the local area where the Company has business presence through offices and associates in</p> <ol style="list-style-type: none"> 1. Bangalore 2. Chennai 3. Gurgaon/ Delhi NCR 4. Hyderabad 5. Kolkata 6. Mumbai 7. Pune 8. Salem 9. Trichy <p>The program is being implemented in</p> <ol style="list-style-type: none"> 1. Bangalore (Karnataka) 2. Chennai (Tamil Nadu) 3. Gurgaon (Delhi NCR) 4. Hyderabad (Telangana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Pune (Maharashtra) 	1,31,95,000	DE 1,03,73,705 OH 1,82,295	1,05,56,000	IA Nasscom Foundation
5	LEAP	Education	<p>The program is running in the local area where the Company has business presence through offices and associates in</p> <ol style="list-style-type: none"> 1. Bangalore 2. Chennai 3. Gurgaon/ Delhi NCR 4. Hyderabad 5. Kolkata 6. Mumbai 7. Pune 8. Salem 9. Trichy <p>The program is being implemented in</p> <ol style="list-style-type: none"> 1. Bangalore (Karnataka) 2. Chennai (Tamil Nadu) 3. Gurgaon (Delhi NCR) 4. Hyderabad (Telangana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Pune (Maharashtra) 8. Salem (Tamil Nadu) 9. Trichy (Tamil Nadu) 	2,36,50,146	DE 1,66,00,023 OH 12,20,828	1,81,95,851	IA <ol style="list-style-type: none"> 1. American India Foundation 2. Anirban Rural Welfare Society 3. Delhi Council for Child Welfare 4. Kherwadi Social Welfare Association 5. Women's India Trust
6	LEAP Inclusion	Education	<p>The program is running in the local area where the Company has business presence through offices and associates in</p> <ol style="list-style-type: none"> 1. Bangalore 2. Chennai 3. Gurgaon/Delhi NCR 4. Hyderabad 5. Kolkata 6. Mumbai 7. Pune 8. Salem 9. Trichy <p>The program is being implemented in</p> <ol style="list-style-type: none"> 1. Bangalore (Karnataka) 2. Gurgaon (Delhi NCR) 3. Hyderabad (Telangana) 4. Mumbai (Maharashtra) 5. Pune (Maharashtra) 	1,73,34,500	DE 86,95,867 OH 6,67,382	93,63,250	IA <ol style="list-style-type: none"> 1. Association of People With Disability 2. Nirmalya Trust 3. Sarthak Educational Trust

7	Waste Management Centre	Environmental Sustainability	The program is running in the local area where the Company has business presence through offices and associates in 1. Bangalore 2. Chennai 3. Gurgaon/ Delhi NCR 4. Hyderabad 5. Kolkata 6. Mumbai 7. Pune 8. Salem 9. Trichy The program is being implemented in 1. Bangalore (Karnataka) 2. Mumbai (Maharashtra)	1,20,50,000	DE 64,92,141 OH 3,30,109	81,50,500	IA 1. Saahas 2. Stree Mukti Sanghatana
8	Environment - Virtual Classroom	Environmental Sustainability	The program is running in the local area where the Company has business presence through offices and associates in 1. Bangalore 2. Chennai 3. Gurgaon/ Delhi NCR 4. Hyderabad 5. Kolkata 6. Mumbai 7. Pune 8. Salem 9. Trichy The program is being implemented in 1. Bangalore (Karnataka) 2. Chennai (Tamil Nadu) 3. Gurgaon (Delhi NCR) 4. Hyderabad (Telangana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Pune (Maharashtra) 8. Salem (Tamil Nadu) 9. Trichy (Tamil Nadu)	24,69,500	DE 20,00,295 OH 2,22,255	22,22,550	IA World Wide Fund for Nature
9	Emergency Response	Relief Fund	The project responds to the natural calamities in the geographical borders of India irrespective of the Company's business presence through offices and associates The program is implemented in 1. Chennai (Tamil Nadu)	22,56,050	DE 20,33,823 OH 2,22,227	22,56,050	IA 1. Sevalaya 2. Uthavum Ullangal
10	Others/ Accreditation of NGO Partners	Education	The program is running in the local area where the Company has business presence through offices and associates in 1. Bangalore 2. Chennai 3. Gurgaon/ Delhi NCR 4. Hyderabad 5. Kolkata 6. Mumbai 7. Pune 8. Salem 9. Trichy The program is being implemented in 1. Bangalore (Karnataka) 2. Chennai (Tamil Nadu) 3. Gurgaon (Delhi NCR) 4. Hyderabad (Telangana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Pune (Maharashtra) 8. Salem (Tamil Nadu) 9. Trichy (Tamil Nadu)	5,50,000	DE 3,00,000 OH 30,000	5,50,000	IA Credibility Alliance
11	Expenses of CSR team		overhead expenses for CSR			26,28,556	
12	Imparting Digital Literacy to community members and to facilitate access to e-governance in Trichy and Salem	Education	The program is running in the local area where the Company has business presence through offices and associates in 1. Bangalore 2. Chennai 3. Gurgaon/ Delhi NCR 4. Hyderabad 5. Kolkata 6. Mumbai 7. Pune 8. Salem 9. Trichy The program is being implemented in 1. Salem (Tamil Nadu) 2. Trichy (Tamil Nadu)	24,47,300	DE 3,41,231 OH 45,769	10,05,000	IA Nasscom Foundation

13	LEAP	Education	The program is running in the local area where the Company has business presence through offices and associates in 1. Bangalore 2. Chennai 3. Gurgaon/ Delhi NCR 4. Hyderabad 5. Kolkata 6. Mumbai 7. Pune 8. Salem 9. Trichy The program is being implemented in 1. Salem (Tamil Nadu) 2. Trichy (Tamil Nadu)	1,53,71,280	DE 74,93,977 OH 1,91,663	76,85,640	IA Nasscom Foundation
14	Study Center Program	Education	The program is being implemented in 1. Mumbai (Maharashtra)	25,82,624	DE 30,70,036 OH 3,41,115	36,74,911	IA Save The Children India
15	Scholarship	Education	The program is being implemented in 1. Bangalore (Karnataka)	84,99,137	DE 76,37,264 OH 4,10,969	1,21,08,025	IA Prerana - Nurture Merit
16	Improved Learning in Government Schools	Education	Rural Karnataka and Pune (Maharashtra)	76,52,681	DE 84,73,388 OH 13,93,096	1,41,80,340	IA Sivasri Charitable Trust
17	Project Vigyaan	Education	Pune (Maharashtra)	37,43,100	DE 29,93,572 OH 3,32,619	39,86,129	IA GREAT Foundation
18	Project Saksham - IT & Vocational Skill Center	Education	Bangalore (Karnataka) and Navi Mumbai (Maharashtra)	28,89,775	DE 25,76,624 + 18,87,259 OH 7,23,751 + 5,30,115	76,36,840	IA Hope Foundation
19	Bridge School	Education	Noida (Uttar Pradesh)	27,69,888	DE 14,01,078 + 10,70,745 OH 1,55,675 + 1,18,972	43,05,319	IA ANK
20	Project Jagrithi	Education	Karjat and Khalapur (Maharashtra)	14,02,370	DE 20,44,836.18 OH 1,41,871.82	24,37,788	IA Light of Life Trust
21	Project Akshara	Education	The program is being implemented in 1. Bangalore (Karnataka) 2. Chennai (Tamil Nadu) 3. Noida (Uttar Pradesh) 4. Hyderabad (Telangana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Pune (Maharashtra) 8. Gandhinagar (Gujarat) 9. Salem (Tamil Nadu) 10. Trichy (Tamil Nadu)	69,76,251	DE 66,13,202 OH 3,84,895	2,09,89,830	D
22	Project Jigyasa	Education	Bangalore (Karnataka)	13,44,045	DE 10,81,163 OH 2,62,882	13,44,045	IA Agastya International Foundation
23	Project Saakshar	Education	Bangalore (Karnataka)	19,25,657	DE 18,20,413 OH 1,05,244	34,96,196	IA C.N Rajan Memorial Charitable Trust
24	Vocational training in ITES/ Retail and Beautician	Education	Gandhinagar (Gujarat)	3,00,927	DE 2,70,834 30,093	12,17,931	IA Saath Charitable Trust
25	Project Vidyadeep	Education	Andhra Pradesh	8,61,781	DE 6,83,790 OH 1,77,991	26,55,774	IA Sankalp Foundation
	Expenses of CSR team		Overhead expenses for CSR		16,04,307		
	TOTAL			17,82,58,112	15,04,77,703	18,53,77,459	

The projects undertaken by the Company are multi-year projects thus resulting in lesser utilization of earmarked budget for the said financial year. Your Company is in continuous process of evaluating strategic avenues for CSR expenditure. As a socially responsible company, your Company is committed to increase its CSR impact over the coming years, with its aim of playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives.

The implementation and monitoring of CSR is in compliance with the CSR Policy of the Company.

Place: Mumbai
Date November 23, 2016

Kalpana Rao
Director
DIN:07093566

Sujit Sircar
Director
DIN:00026417

ANNEXURE V
Form No. MGT 9

EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2015.

I. REGISTRATION & OTHER DETAILS:

1	CIN	U85110PN1993PLC145950
2	Registration Date	December 27, 1993
3	Name of the Company	IGATE Global Solutions 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: +91-20-66991000 F: +91-20-66995050 Email:dlcompanysecretary.ig@capgemini.com www.in.capgemini.com
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Pvt. Ltd., Karvy Selenium Tower No.B, Plot No.31-32,Gachibowli,Financial District, Nanakramguda Hyderabad : 500 032 - Telangana, India T: +91 040 67161591 www.karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

S. 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:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	IGATE Corporation C T Corporation System 116 Pine Street Suite 320 Harrisburg, PA 17101	NA	Holding	11.30	2(46)
2	IGATE Inc C T Corporation System 116 Pine Street Suite 320 Harrisburg, PA 17101	NA	Holding	35.39	2(46)
3	PAN-ASIA IGATE Solutions Suite 206, SIT Business Center, NG Tower, Cyber City, Ebene, Mauritius	NA	Holding	50.35	2(46)
4	IGATE Infrastructure Management Services Limited. 158-162P & 165P-170P, EPIP Phase II, Whitefield, Bangalore - 560 066	U74140KA1999PLC036394	Subsidiary	100	2(87)
5	IGATE (Singapore) Pte. Ltd. 61 Robinson Road #16-02 Robinson Centre Singapore 068893.	NA	Subsidiary	100	2(87)
6	IGATE Computer Systems (Suzhou) Co Ltd Building No.3, Suzhou Software & Technology Park, No.2 Keling Road SND Suzhou - 215163, China.	NA	Subsidiary	100	2(87)

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 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% 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)	26319959	104378	26424337	99.48	26319959	671136	26991095	99.49	-0.01
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.									
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	26319959	104378	26424337	99.48	26319959	671136	26991095	99.49	-0.01
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	26319959	104378	26424337	99.48	26319959	671136	26991095	99.49	-0.01
Total shareholding of Promoter (A)	26319959	104378	26424337	99.48	26319959	671136	26991095	99.49	-0.01
B. Public Shareholding									
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) FIs									
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	11	0	11	0.00	11	0	11	0.00	0.00

2. Non-Institutions									
a) Bodies Corp.	5941	0	5941	0.02	6191	0	6191	0.02	0.00
i) Indian									
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	127222	76	127298	0.48	126795	90	126885	0.47	0.01
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	3873	16	3889	0.01	4025	16	4041	0.01	0.00
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies – D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	137036	92	137128	0.52	137011	106	137117	0.51	-0.01
Total Public Shareholding (B)=(B)(1)+ (B)(2)	137047	92	137139	0.52	137022	106	137128	0.51	-0.01
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	26457006	104470	26561476	100.00	26456981	671242	27128223	100.00	0.00

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year as on 01 April 2015			Shareholding at the end of the year as on 31 March 2016			% 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	Pan Asia IGATE Solutions	13659959	51.43	0	13659959	50.35	0	-1.08
2	IGATE Inc.	9600000	36.14	0	9600000	35.39	0	-0.75
3	IGATE Corporation	3164378	11.91	0	3164378	11.66	0	-0.25
4	IGATE Technologies Inc	0	0	0	566758	2.09		2.09
	Total	26424337	99.48	Nil	26991095	99.49	Nil	0.01

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

SN	Particulars	Shareholding at the beginning of the year as on 01 April 2015		Cumulative Shareholding during the year (01 April 2015 to March 31, 2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	26424337	99.48	26424337	99.48
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):			566758*	0.01
	At the end of the year	26424337	99.48	26991095	99.49

* Equity shares were issued/allotted on October 16, 2015, pursuant to the Scheme of Amalgamation of IGATE Information Services Private Limited with IGATE Global Solutions Limited sanctioned by the Hon'ble High Court of judicature at Bombay on September 04, 2015.

D) Shareholding Pattern of top ten Shareholders:

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

SN	Name of Top 10 Share Holder	Shareholding at the beginning of the Year		Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company			No of Shares	% of total shares of the company
1	RAMESH CHAMPALAL JAIN	798	0.00	0	Nil movement	798	0.00
2	BAHUBALIGOODS PRIVATE LIMITED	550	0.00	0	Nil movement	550	0.00
3	ARCADIA SHARE & STOCK BROKERS PVT. LTD	547	0.00	9	Purchase	556	0.00
				-9	Sale	547	0.00
	Closing Balance					547	0.00
4	KARVY STOCK BROKING LIMITED	518	0.00	11	Purchase	529	0.00
	Closing Balance					529	0.00
5	ISHWAR JAYANTILAL KAKKAD	511	0.00	0	Nil movement	511	0.00
6	AMBALALPARSOTTAMDAS PATEL	375	0.00	0	Nil movement	375	0.00
7	NITIN DATTATRAYA MOTLAG	366	0.00	0	Nil movement	366	0.00
8	K CHANDRABHAN	352	0.00	0	Nil movement	352	0.00
9	KAYNET FINANCE LIMITED	295	0.00	0	Nil movement	295	0.00
10	HUSAIN TAHERALI DASORWALA	272	0.00	0	Nil movement	272	0.00

E) Shareholding of Directors and Key Managerial Personnel:

SN	Key Managerial Personnel	Shareholding at the beginning of the Year			Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company	Increase / Decrease in shareholding		No of Shares	% of total shares of the company
1	Sujit Sircar, Director	20,000*	0.07	-20,000	Transferred back to Holder	0	0.00
2	Mukund Srinath, Company Secretary	20,000*	0.07	-20,000	Transferred back to Holder	0	0.00

*Transfer back of shares to IGATE Corporation. (Previously shares were held as beneficial shareholders of IGATE Corporation under section 187C of the Companies Act, 1956).

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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Principal Amount	83,897,983	3,249,740,000	-	3,333,637,983
Interest due but not paid			-	
Interest accrued but not due		66,525	-	66,525
Total	83,897,983	3,249,806,525	-	3,333,704,508
Change in Indebtedness during the financial year	-	-	-	-
* Addition	28,076,370	3,967,390,000	-	3,995,466,370
* Reduction	(39,348,976)	(7,217,196,525)	-	(7,256,545,501)
Net Change	(11,272,606)	(3,249,806,525)	-	(3,261,079,131)
Indebtedness at the end of the financial year	-	-	-	-
Principal Amount	72,625,377		-	72,625,377
Interest due but not paid	-	-	-	-
Interest accrued but not due	-	-	-	-
Total	72,625,377			72,625,377

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WT/ Manager	Total Amount(Rs.)
		Mr. Sujit Sircar	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,96,14,140	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	27,12,11,541	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	29,08,25,681
2	Stock Option		-
3	Sweat Equity	-	
4	Commission - as % of profit - others, specify	-	-
5	Others, please specify	-	-
	Total (A)	29,08,25,681	29,08,25,681
	Ceiling as per the Act	Rs. 86.5 million (being 5% of the net profits of the Company calculated as per section 198 of the Companies Act, 2013)	

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors		Total Amount (Rs.)
1	Independent Directors	Mrs. Kalpana Rao	Mr. R Ramaswamy	-
	Fee (Rs.) for attending board /committee meetings	3,50,000	3,75,000	7,25,000
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	3,50,000	3,75,000	7,25,000
2	Other Non-Executive Directors	Mr. Hubert Giraud		
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	-	-	-
	Total Managerial Remuneration	-	-	-
	Overall Ceiling as per the Act	Rs. 17.3 million (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/MANAGER/WT/

(Amount in Rs.)

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
		Mr. Mukund Srinath	Mr. Nagesh Kumar	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,26,41,395	1,24,21,938	2,50,63,333
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9,36,070	45,30,609	54,66,679
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	
3	Sweat Equity	-		
4	Commission	-	-	-
	- as % of profit	-	-	-
	Others, specify...	-	-	-
5	Others, please specify			
	Total	1,35,77,465	1,69,52,547	3,05,30,012

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-NA					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS-NA					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT-NA					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**ANNEXURE VI
FORM AOC-1**

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

Name of Subsidiary	Patni Computer Systems GmbH*	PCS Computer Systems Mexico SA de CV**	IGATE (Singapore) Pte. Ltd	IGATE Computer Systems Japan Inc. ***	IGATE Computer Systems (Suzhou) Co., Ltd	IGATE Global Solutions Mexico ****	IGATE Infrastructure Management Services Limited
Country	Germany	Mexico	Singapore	Japan	China	Mexico	India
Reporting Currency	EUR	MXN	SGD	JPY	CNY	MXN	INR
Exchange Rate	75.43	3.85	49.29	0.59	10.08	3.85	1.00
Share capital	376	95	342	-	48	118	29
Reserves	139	(95)	18	-	58	(62)	(22)
Total Assets	545	-	378	0	131	68	44
Total Liabilities	30	-	18	0	25	12	37
Investments	-		49				
Turnover	282	-	329	-	151	135	17
Profit/(Loss) before taxation	23	95	71	30	21	12	(20)
Provision for Taxation	(2)	-	-	-	3	-	-
Profit/(Loss) After Taxation	25	95	71	30	18	12	(20)
Proposed Dividend	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%

*The Company is disinvested on August 9, 2016

**The Company is disinvested on January 16, 2016

***The Company is liquidated on June 30, 2015.

****The Company is disinvested on June 27, 2016

For and on behalf of the Board of Directors of
IGATE Global Solutions Limited

Sujit Sircar
Director
DIN: 00026417

R. Ramaswamy
Director
DIN: 00038146

Mukund Srinath
Senior Vice President -
Legal & Company Secretary
FCS: 2952

Nagesh Kumar M
Chief Financial Officer

Place : Mumbai
Date : November 23, 2016

ANNEXURE VII
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
IGATE Corporation	Ultimate Holding Company	April 01, 2015 to March 31, 2016	Based on transfer pricing guidelines
IGATE Computer Systems (UK) Limited	Associate Company	April 01, 2015 to March 31, 2016	Based on transfer pricing guidelines
IGATE Information Services (UK) Limited	Associate Company	April 01, 2015 to March 31, 2016	Based on transfer pricing guidelines
CHCSS Services Inc	Associate Company	April 01, 2015 to March 31, 2016	Based on transfer pricing guidelines
IGATE Technologies Inc.,	Associate Company	April 01, 2015 to March 31, 2016	Based on transfer pricing guidelines
IGATE Technologies Canada Inc.,	Associate Company	April 01, 2015 to March 31, 2016	Based on transfer pricing guidelines
Capgemini Australia pty	Associate Company	April 01, 2015 to March 31, 2016	Based on transfer pricing guidelines
Capgemini Belgium NV/SA	Associate Company	April 01, 2015 to March 31, 2016	Based on transfer pricing guidelines
Capgemini France Direction Generale	Associate Company	April 01, 2015 to March 31, 2016	Based on transfer pricing guidelines
Capgemini India Private Limited	Associate Company	April 01, 2015 to March 31, 2016	Based on transfer pricing guidelines
Capgemini Service S.A.S	Associate Company	April 01, 2015 to March 31, 2016	Based on transfer pricing guidelines
Capgemini Sverige AB (Sweden)	Associate Company	April 01, 2015 to March 31, 2016	Based on transfer pricing guidelines
Capgemini Nederland BV	Associate Company	April 01, 2015 to March 31, 2016	Based on transfer pricing guidelines
Capgemini Schweiz AG (Switzerland)	Associate Company	April 01, 2015 to March 31, 2016	Based on transfer pricing guidelines
Sogeti Nederland BV	Associate Company	April 01, 2015 to March 31, 2016	Based on transfer pricing guidelines
PAN-Asia IGATE Solutions	Holding Company	April 01, 2015 to March 31, 2016	Based on transfer pricing guidelines
CHCS Services Inc	Associate Company	April 01, 2015 to March 31, 2016	Based on transfer pricing guidelines
IGATE Technologies Luxembourg S.á r.l.	Associate Company	April 01, 2015 to March 31, 2016	Based on transfer pricing guidelines

b) Aggregate value of the above contracts or arrangements or transactions is Rs. 24,712 million during the year.

For and on behalf of the Board of Directors
IGATE Global Solutions Limited

Place: Mumbai
Date: November 23, 2016

Sujit Sircar
Director
DIN: 00026417

R. Ramaswamy
Director
DIN: 00038146

INDEPENDENT AUDITOR'S REPORT

To the Members of IGATE Global Solutions Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of IGATE Global Solutions Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Basis for Qualified Opinion

As explained in note 50 to the standalone financial statements, for the year ended 31 March 2016, the Company has paid managerial remuneration amounting to Rs.291 million to a whole-time director. The amount paid is in excess of the limits specified under section 197 and Schedule V of the Act. The Company is in the process of making an application to the Central Government and convening meetings of the Board of Directors and the shareholders of the Company to ratify such excess remuneration paid.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the matter referred to in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the 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 2016, and its loss and its cash flows for the year ended on that date.

Other matter

The financial statements of the Company for the year ended 31 March 2015 were audited by another auditor who expressed an unmodified opinion on those financial statements vide their report dated 16 November 2015.

Report on Other Legal and Regulatory Requirements

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

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

- a) We have sought and, except for the matter described in the Basis for Qualified Opinion paragraph above obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as on 31 March 2016, none of the directors is disqualified as on 31 March 2016 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's 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 on its financial position in its financial statements – Refer note 41 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer note 40 to the financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Vijay Mathur
Partner
Membership No: 046476

Mumbai
23 November 2016

Annexure A to the Independent Auditors' Report - 31 March 2016

(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 2016 (Rs in million)	Net block as at 31 March 2016 (Rs in million)	Total number of cases	Remarks
Leasehold land	72	71	1	Pending registration
Freehold land	2,255	2,255	1	Pending pursuant to amalgamation
Leasehold land	838	828	6	Pending pursuant to amalgamation
Building	3,539	3,381	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 borrower has been regular in repayment of the principal and interest 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, as applicable.
- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to 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, Sales tax, Service tax, duty of Customs, Value Added Tax, Cess and other statutory dues have been generally regularly deposited during the year with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of Excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, duty of Customs, Value Added Tax, Cess and other statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable except disclosed below.

Name of the Statute	Nature of dues	Amount (INR in million)	Period to which amount relates	Due Date	Date of Payment
Employees' State Insurance Act, 1948	Employees' State Insurance	0.01	April 2015 to September 2015	21 of subsequent month	Various dates

-
- (b) According to the information and explanations given to us, the dues of Income tax, Sales tax, Service tax, duty of Customs, Value Added Tax which have not been deposited by the Company on account of disputes, are mentioned in Appendix 1 to this report.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank. As explained to us, the Company did not have any outstanding dues to any financial institution, government or debenture holders.
- (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 fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, the Company has paid excess managerial remuneration amounting to Rs 291 million for the year ended 31 March 2016. The Company has not made an application to the Central Government for approval of payment of such excess remuneration pursuant to the provisions of Section 197 read with Schedule V of the Act. Such excess amount has been charged to the Statement of profit and loss.
- (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 financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) According to the information and explanations given 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 him. 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

Mumbai
23 November 2016

Annexure A to the Independent Auditors' Report - 31 March 2016 (contd.)

Appendix 1

Name of the Statute	Nature of the Dues	Amount (Rs. Million)	Demand paid in protest	Period to which the amount relates	Forum where dispute is pending
Income-Tax Act, 1961	Income Tax	1	-	AY 2005-06	Income Tax Appellate Tribunal
Income-Tax Act, 1961	Income Tax	477	150	AY 2007-08	High Court
Income-Tax Act, 1961	Income Tax	32	-	AY 2007-08	Re-assessment
Income-Tax Act, 1961	Income Tax	3	3	AY 2006-07	Commissioner Income Tax (Appeals)
Income-Tax Act, 1961	Income Tax	20	-	AY 2002-03	High Court
Income-Tax Act, 1961	Income Tax	7	7	AY 2005-06	Commissioner Income Tax (Appeals)
Income-Tax Act, 1961	Income Tax	0*	0*	AY 2007-08	Assessing Officer
Income-Tax Act, 1961	Income Tax	2	-	AY 2008-09	Commissioner Income Tax (Appeals)
Income-Tax Act, 1961	Income Tax	4	-	AY 2009-10	Commissioner Income Tax (Appeals)
Income-Tax Act, 1961	Income Tax	8	-	AY 2010-11	Assessing Officer
Income-Tax Act, 1961	Income Tax	704	300	AY 2008-09	High Court
Income-Tax Act, 1961	Income Tax	1,044	-	AY 2009-10	High Court
Income-Tax Act, 1961	Income Tax	6	6	AY 2003-04	High Court
Income-Tax Act, 1961	Income Tax	6	-	AY 2010-11	Commissioner Income Tax (Appeals)
Income-Tax Act, 1961	Income Tax	1,420	-	AY 2011-12	Income Tax Appellate Tribunal
Income-Tax Act, 1961	Income Tax	1	-	AY 2008-09	Commissioner Income Tax (Appeals)
Income Tax Act, 1961	Income tax and interest demand	5,878	1,620	AY 2006-07 to 2010-11	Income Tax Appellate Tribunal, Pune
Income Tax Act, 1961	Income tax and interest demand	56	29	AY 2005-06 to 2007-08	Income Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Income tax and interest demand	17	17	AY 2010-11	Income Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Income tax and interest demand	327	-	AY 2012-13	Commissioner of Income Tax Appeal , Pune
Income Tax Act, 1961	Income tax and interest demand	16	16	AY 2009-10	Commissioner of Income Tax Appeal , Pune
West Bengal VAT	Sales tax	117	-	2008-09	Appellate and Revisional Board
West Bengal VAT	Sales tax	109	-	2009-10	Appellate and Revisional Board
Maharashtra VAT/ CST	Sales tax	13	-	2006-07	Joint commissioner of Sales tax (Appeals)
Maharashtra VAT/ CST	Sales tax	13	-	2007-08	Joint commissioner of Sales tax (Appeals)
Maharashtra VAT/ CST	Sales tax	80	-	2009-10	Joint commissioner of Sales tax (Appeals)
Maharashtra VAT/ CST	Sales tax	99	-	2010-11	Joint commissioner of Sales tax (Appeals)
Maharashtra VAT/ CST	Sales tax	32	-	2008-09	Joint commissioner of Sales tax (Appeals)
Maharashtra VAT/ CST	Sales tax	113	-	2011-12	Deputy Commissioner of Sales Tax
Finance Act, 1994	Service tax	34	-	2007-08 to 2011-12	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service tax	2	-	2008-2009	Commissioner (Appeals)
Finance Act, 1994	Service tax	9	-	2010-2012	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service tax	3	-	2012-13	Custom Excise & Service Tax Appellate Tribunal

*Amount is below the rounding off limit in million

Annexure B to the Independent Auditors' Report of even date on the standalone financial statements of IGATE Global Solutions Limited – 31 March 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of IGATE Global Solutions Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("ICAI"). 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with the 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting 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.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Vijay Mathur

Partner

Membership No: 046476

Mumbai

23 November 2016

Balance Sheet as at 31 March 2016

(Currency : INR in millions)

	Notes	As at 31 March 2016	As at 31 March 2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	271	266
Reserves and surplus	4	26,239	26,676
		26,510	26,942
Share capital to be issued pursuant to amalgamation	5	71,955	6
		71,955	6
Non-current liabilities			
Long-term borrowings	6	48	60
Other long-term liabilities	7	556	102
Long-term provisions	8	3,951	362
		4,555	524
Current liabilities			
Short-term borrowings	9	-	3,250
Trade payables	10		
- Due to micro and small enterprises		30	-
- Due to other than micro and small enterprises		5,688	1,246
Other current liabilities	11	8,898	1,535
Short-term provisions	8	2,252	821
		16,868	6,852
TOTAL		1,19,888	34,324
Assets			
Non-current assets			
Fixed assets			
- Tangible assets	12	26,003	11,424
- Intangible assets	13	38,290	118
- Capital work-in-progress	14	993	2,633
Non-current investments	15	749	747
Deferred tax asset (net)	16	2,543	226
Long-term loans and advances	17	9,859	5,679
Other non-current assets	18	2	2
		78,439	20,829
Current assets			
Current investments	19	6,253	3,609
Trade receivables	20	16,063	6,271
Cash and bank balances	21	10,958	1,843
Short-term loans and advances	17	2,591	788
Other current assets	22	5,584	984
		41,449	13,495
TOTAL		1,19,888	34,324
Significant accounting policies	2		

The notes referred to above form an integral part of the 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 : November 23, 2016

For and on behalf of the Board of Directors of
IGATE Global Solutions Limited
CIN - U85110PN1993PLC145950

Sujit Sircar
Director
DIN - 00026417
Mukund Srinath
Company Secretary

Place : Mumbai
Date : November 23, 2016

R. Ramaswamy
Director
DIN - 00038146
Nagesh Kumar M
Chief Financial Officer

Statement of Profit and Loss for the year ended 31 March 2016

(Currency : INR in millions)

	Notes	Year ended 31 March 2016	Year ended 31 March 2015
Revenue			
Revenue from operations	23	1,08,248	33,502
Other income	24	2,158	1,853
Total revenue		1,10,406	35,355
Expenses			
Employee benefits expense	25	72,822	19,610
Finance costs	26	48	50
Depreciation of tangible assets	27	3,824	1,234
Amortisation of intangible assets	27	9,802	185
Other expenses	28	22,622	7,878
Total expenses		1,09,118	28,957
Profit before taxation		1,288	6,398
Tax expense			
Current tax			
- current year		581	1,500
- earlier years		39	(664)
MAT credit			
- current year (includes MAT credit for earlier years Rs. 152 million)		(448)	-
- MAT credit entitlement written-off		1,506	-
Deferred tax (credit) / charge		(313)	130
(Loss) / profit for the year		(76)	5,432
Earnings per equity share			
Nominal value of share Rs. 10 (31 March 2015: Rs. 10)			
Basic and diluted	39	(1.29)	192.85
Significant accounting policies	2		

The notes referred to above form an integral part of the 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
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Place : Mumbai
Date : November 23, 2016

R. Ramaswamy
Director
DIN - 00038146
Nagesh Kumar M
Chief Financial Officer

Cash flow statement for the year ended 31 March 2016

(Currency : INR in millions)

	As at 31 March 2016	As at 31 March 2015
A. Cash flow from operating activities		
Profit before tax	1,288	6,398
Adjustments		
Depreciation of tangible assets	3,824	1,234
Amortisation of intangible assets	9,802	185
Bad debts written off	24	55
Profit on sale of fixed assets, net	(32)	(17)
Profit on sale of current investments, net	(274)	(474)
Profit on sale of non-current investments, net	-	(158)
Liabilities no longer required written back	(62)	(34)
Unrealised foreign exchange differences, net	(168)	137
Provision for doubtful receivables	84	-
Provision for doubtful deposits	16	-
Provision for/ (write back of) contingencies	17	-
Finance costs	48	39
Interest income on bank deposits	(902)	(2)
Interest income on others	(27)	(59)
Employee compensation expense (ESOP)	85	-
Operating profit before working capital changes	13,723	7,304
Changes in working capital:		
Increase / (Decrease) in trade payables	2,098	(2,110)
Increase / (Decrease) in liabilities and provisions	4,191	(377)
(Increase) / Decrease in trade receivables	19	994
(Increase) / Decrease in short-term loans and advances	(562)	33
(Increase) / Decrease in long-term loans and advances	163	(493)
(Increase) / Decrease in other current assets	(1,425)	623
Decrease in other non-current assets	-	2
Net cash generated from operations	18,207	5,976
Income taxes paid, net	(4,024)	(1,160)
Net cash flows from operating activities	14,183	4,816
B. Cash flows from investing activities		
Purchase of tangible/intangible assets	(5,690)	(5,201)
Proceed from sale of tangible/intangible assets	140	24
Investments in bank deposits (having original maturity of more than 12 months)	-	(2)
Proceeds from sales of non- current investments	-	190
Purchase of current investments	(30,203)	(30,251)
Proceeds from sale of current investments	27,834	36,731
Loans and advance to related parties	19	39
Interest income	959	2
Net cash flows (used in) / generated from investing activities	(6,941)	1,532
C. Cash flows from financing activities		
Repayment of short-term borrowings	(7,217)	(6,423)
Proceeds from short-term borrowings	3,967	6,417
Payment towards repurchase of equity shares	(13,499)	(6,493)
Repayment towards finance leases	(27)	(40)
Finance cost	(47)	(28)
Net cash flows used in financing activities	(16,823)	(6,567)

Cash flow statement for the year ended 31 March 2016 *(Contd.)*

(Currency : INR in millions)

	As at 31 March 2016	As at 31 March 2015
Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)	(9,581)	(219)
Effect of exchange rate differences on cash and cash equivalents held in foreign currency	(38)	(209)
Cash and cash equivalents at the beginning of the year	1,843	2,211
Add: Cash and cash equivalents acquired on amalgamation of CIPL (refer note 33)	18,734	60
Add: Cash on account of amalgamation of Capgemini India Private Limited (refer note 33)		
Cash and cash equivalents at the end of the year	10,958	1,843
Notes :		
1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 "Cash Flow Statements", prescribed in the Companies (Accounting Standard) Rules, 2006, which continue to apply under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.		
2) Reconciliation of Cash and Cash Equivalents:		
(i) Cash and cash equivalents		
Cash on Hand*	-	-
Cheques on Hand	5	-
Remittance in Transit	106	220
Balances with Banks		
- in current accounts	1,972	1,375
- in EEFC account	569	234
- in deposits with original maturity of less than 3 months	3,250	-
- in unclaimed dividend account	2	2
Cash and Cash equivalents at the end of the year	5,904	1,831
Other bank balances		
Bank deposits due to mature within 12 months of the reporting date	5,054	12
Cash and Bank Balances at the end of the year	10,958	1,843
*Amount is below the rounding off limit		
3) Purchase of fixed assets include payments for items in capital work in progress and advance for purchase of fixed assets.		
4) Figures in brackets represents outflow of cash and cash equivalents.		
5) Previous years figures have been regrouped, wherever necessary to conform to the current years classification.		
6) Scheme of merger is not considered in the above cash flow statement being non cash transaction.		

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 : November 23, 2016

For and on behalf of the Board of Directors of
IGATE Global Solutions Limited
CIN - U85110PN1993PLC145950

Sujit Sircar
Director
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Mukund Srinath
Company Secretary

Place : Mumbai
Date : November 23, 2016

R. Ramaswamy
Director
DIN - 00038146
Nagesh Kumar M
Chief Financial Officer

Notes to financial statements for the year ended 31 March 2016

1 Corporate overview

IGATE Global Solutions Limited ('the Company' or 'IGS') 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 services to large and medium-sized organizations using an offshore/onsite model. The Company has its branches and subsidiaries in United States, Canada, Japan, Singapore, Australia, Sweden, Switzerland, United Kingdom, Belgium, France, Finland, Germany, Mexico and Netherlands. IT services and IT-enabled operations offshore outsourcing solutions are delivered using the offshore centres located in Bangalore, Gurgaon, Hyderabad, Chennai, Noida, Mumbai, Pune, Kolkata, Trichy, Salem and Gandhinagar in India.

Capgemini North America, Inc. a subsidiary of Capgemini SA (ultimate holding company w.e.f July 2015) along with its wholly owned subsidiary, Laporte Merger Sub, Inc, acquired IGATE Corporation (erstwhile ultimate holding company) in July 2015. Pursuant to the global acquisition of IGATE group, the Board of Directors of Capgemini India Private Limited (CIPL) have approved the merger of CIPL with the Company. Consequently, CIPL has filed a scheme of merger with the Bombay High court on 3 February 2016 under sections 391 to 394 of The Companies Act, 1956, whereby the entire business and undertaking of CIPL will be transferred to the Company (refer notes 31 to 34 regarding the scheme of Amalgamation).

2 Significant accounting policies

a) Basis of preparation

The standalone financial statements of the Company are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act, other relevant provisions of the Companies Act, 1956, to the extent applicable and Accounting Standard 30, 'Financial Instruments: Recognition and Measurement' ('AS 30') read with Accounting Standard 31 - 'Financial Instruments: Presentation' (AS 31) issued by the Institute of Chartered Accountants of India. Effective 1 April 2007, the Company has early adopted AS 30 read with AS 31 issued by ICAI. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All amounts included in the financial statements are reported in millions of Indian rupees (Rs. in millions) except share and per share data, unless otherwise stated.

b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting principles (GAAP) 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 fixed assets. 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.

c) 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.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Liabilities

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

- it is expected to be settled in the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- 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.

d) Tangible assets

Fixed assets 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. Trade discounts and rebates, if any, are deducted while computing the cost.

Tangible fixed assets acquired wholly or partly with specific grant / subsidy from government are recorded at the fair value as on the agreement date.

Subsequent expenditure related to an item of fixed asset 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 fixed assets, 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 fixed assets 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.

The cost of fixed assets not ready for use before the balance sheet date is disclosed as capital work-in-progress. Advances paid towards the acquisition of fixed assets outstanding as at balance sheet date is disclosed under long term loans and advances.

e) Depreciation on tangible fixed assets

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, the Company has 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 capitalized on or before 31 December 2015	Assets capitalized 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 primary lease period
Computers*	3 years	3-5 years
Furniture and fixtures*	5 years	7 years
Office equipment	5 years	7 years
Vehicles*	4-5 years	5 years

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

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	Over the lease period of 2 to 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. Individual assets costing Rs 5,000 or less are depreciated in full, in the year of purchase.

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 fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

f) 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. Goodwill is amortized over a period of five years .

(ii) Acquired intangible assets

Intangible assets acquired separately are initially recognized at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization 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 in business purpose is amortized over an estimated useful life of 3 - 5 years or the period of licenses, whichever is lower.

g) Leases

Leases of assets where the Company assumes substantially all the risks and rewards incidental to ownership of the leased item, are classified as finance lease and capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognized as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs are capitalized.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit.

h) Government grants and subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

Where a grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset. Government grants in the form of non-monetary assets are accounted at their

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

acquisition cost and are added to the value of concerned assets. Other Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

i) **Impairment of tangible and intangible assets**

Intangible assets which are not yet available for use are tested for impairment annually. Other fixed assets (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 intangible assets 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 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.

j) **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.

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.

k) **Revenue recognition**

The Company primarily derives revenue from rendering IT, IT related services and business process outsourcing services. The Company recognises revenue when the significant terms of the engagement are enforceable, services have been delivered and the collectability is reasonably assured. Reimbursements of out of pocket expenses received from customers have been included as a component of revenues. The method of recognising revenue depends on the nature of services rendered.

(i) **Time and material contracts**

Revenues from time and material contracts is recognized as the related services are rendered.

(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

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

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 recognised only to the extent contract costs incurred, for which recoverability is probable. Any anticipated losses expected upon contract completion are recognized immediately.

(iii) Unbilled revenue and Billing in advance

Unbilled revenue represents cost and earnings in excess of billings as at the end of the reporting period. Billing in advance represents billings in excess of revenue recognised. Advance payments received from customers for which no services have been rendered are disclosed as 'Advances from customers'.

(iv) Others

Revenue from contracts with amounts to be billed on monthly basis is recognized as the related services are rendered. Revenue from transaction-priced contracts is recognized on rendering of the services as per the terms of the contracts.

Revenue from services rendered to the holding company, ultimate holding company and fellow subsidiaries is recognised on a cost plus mark-up basis determined on arm's length principle as and when the related services are rendered.

Revenue from maintenance contracts is recognised relatively over the period of the contract using the percentage of completion (output) method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognised on a straight line basis over the specified period unless some other method better represents the stage of completion.

The Company estimates and accounts for volume discounts and other pricing incentives to the customers by reducing the revenue recognised at the time of sale.

Interest income:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under "other income" in the Statement of Profit and Loss.

Dividend Income:

Revenue is recognised when the Company's right to receive payment is established at the balance sheet date.

I) Foreign currency transactions and balances

i) Initial recognition

The Company is exposed to foreign currency transactions including foreign currency revenues, receivables, expenses, payables and borrowings. 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 recognized in the Statement of Profit and Loss for the year.

ii) Translation

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the exchange rates on that date, the resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate on the date of the transaction.

iii) Translation of integral and non-integral foreign operations

For translating the financial statements of foreign branches, these are classified into 'integral' and 'non-integral' foreign operations.

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation are those of the Company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their Statement of Profit and Loss is translated at exchange rates prevailing on the dates of the transactions or weighted average weekly rates, where such rates approximate the exchange rate on the date of the transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the Statement of Profit and Loss.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

m) 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

(i) Defined contribution plan

Provident fund

Employee benefits in respect of Provident fund except as stated below, is a defined contribution plan.

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to a Government administered provident fund scheme which is a defined contribution plan. 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.

(ii) Defined benefit plan

Providend fund

Eligible employees of Capgemini India Private Limited (transferor company), receive benefits from a provident fund, which is a defined benefit plan and is administered by the Company managed Trust. The Company's interest liability is actuarially determined (using the Projected Accrued Benefit Method) at the end of the year. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The Company's contribution and such shortfall are charged to the Statement of Profit and Loss of the year when the contributions to the respective trusts are due. Contributions made to the government in respect of the employee's pension scheme are charged to the Statement of Profit and Loss in the year in which incurred.

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 at present values of estimated future cash flows. 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 immediately in the Statement of Profit and Loss in the year in which they arise. All expenses related to defined benefit plan is recognised in employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

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 losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

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 immediately in the Statement of Profit and Loss. 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.

n) Employee stock compensation

Upto 30 June 2015:

The employees of the Company were entitled to participate in share based awards issued by IGATE Corporation, the ultimate holding company till 30 June 2015. Costs pertaining to share based awards issued to the Company's employees are cross charged by the ultimate holding company. Such expenses are accounted for as part of employee benefits and the liability to the ultimate holding company is settled in cash.

With effect from 1 July 2015:

Pursuant to the acquisition of IGATE Corporation by Capgemini S.A., the ultimate holding company with effect from 1 July 2015, the Company's employees are now entitled to participate in share based awards issued by Capgemini S.A. Although the share based awards are issued and administered by Capgemini S.A., 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'.

Capgemini SA, the ultimate holding company has also allocated performance shares of the group company to the employees of Capgemini India Private Limited (transferor 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. The Company determines the compensation cost based on fair value method.

This amount is recognized 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, included under reserves and surplus.

o) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and disclosed as "MAT Credit Entitlement" in the balance sheet. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

p) Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. 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 period. The weighted average number of equity shares outstanding during the period 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.

q) 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.

r) 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.

s) Cash flow statement

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.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

t) 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.

The Company adopted Accounting Standard 30, "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India to the extent the adoption does not contradict with existing Accounting Standards and other authoritative pronouncements of the Companies Act, 2013 of India and other regulatory requirements.

In accordance with the risk management policies and procedures framed by the Company, the Company uses derivative instruments such as foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecasted transactions. The derivatives that qualify for hedge accounting and designated as cash flow hedges are initially measured at fair value and re-measured at a subsequent reporting date and the changes in the fair value of the derivatives i.e. gain or loss is recognised directly in shareholder's funds under hedging reserve since the Company follows a policy of a perfect hedge and designates its hedging relationships accordingly. The Company does not use the derivative instruments for speculation purposes.

Hedge accounting is discontinued when the hedging instrument expires, is sold, terminated, exercised or no longer qualifies for hedge accounting. The cumulative gain or loss on the hedging instrument recognised in shareholder's funds under hedging reserve is retained there until the forecasted transaction occurs subsequent to which the same is included in forex gain / loss in Statement of Profit and Loss. When forecasted transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognized in Hedge reserve from the period when the hedge was effective shall be reclassified from hedge reserve to Statement of Profit and Loss as a reclassification adjustment.

3 Share capital

	31 March 2016	31 March 2015
Authorised		
80,950,000 (31 March 2015 - 80,950,000) equity shares of Rs. 10 each	810	810
10,800,000 (31 March 2015 - 10,800,000) compulsorily convertible preference shares ('CCPS') of Rs. 10 each	108	108
Issued, subscribed and fully paid up:		
27,128,234 (31 March 2015 - 26,561,476) equity shares of Rs. 10 each	271	266

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

Equity Shares	31 March 2016		31 March 2015	
	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	26,561,476	265	29,433,347	294
Add: Issued during the year (refer note 34)	566,758	6	-	-
Less: Bought back during the year	-	-	2,871,871	28
Balance as at the end of the year	27,128,234	271	26,561,476	266

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 on 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. Failure to pay any amount called up on shares may lead to forfeiture of the shares.

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 the shareholders.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

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

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

	31 March 2016		31 March 2015	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10 each, fully paid-up, held by				
PAN-Asia IGATE Solutions, Mauritius, the holding company	13,659,959	137	13,659,959	137
IGATE Inc. USA*	-	-	9600,000	96
IGATE Corporation, USA, the ultimate holding company till 30 June 2015 and a subsidiary of the ultimate holding company, Capgemini S.A. with effect from 1 July 2015	12,664,378	127	3,064,378	31
IGATE Technologies Inc., a fellow subsidiary	566,758	6	-	-
Total	26,891,095	270	26,324,337	264

* IGATE Inc. USA merged with IGATE Corporation, USA with effect from 22 December 2015

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

	31 March 2016		31 March 2015	
	No. of shares	% of total shares in the class	No. of shares	% of total shares in the class
Equity shares of Rs. 10 each fully paid-up, held by				
PAN-Asia IGATE Solutions, Mauritius, the holding company	13,659,959	50.35%	136,59,959	51.43%
IGATE Inc. USA*	-	-	9,600,000	36.14%
IGATE Corporation, USA, the ultimate holding company till 30 June 2015 and a subsidiary of the ultimate holding Company, Capgemini S.A. with effect from 1 July 2015	12,664,378	46.68%	3,064,378	11.54%

* IGATE Inc. USA merged with IGATE Corporation, USA with effect from 22 December 2015

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:

	31 March 2016	31 March 2015
	No. of shares	No. of shares
Equity shares of Rs. 10 each bought back by the Company (see note below)	2,871,871	2,871,871
Equity shares of Rs. 10 each issued during the year pursuant to the scheme of amalgamation of IGATE Computer Systems Limited with the Company.	16,668,969	16,668,969
Equity shares of Rs. 10 each issued as consideration towards amalgamation of IGATE Information Services Private Limited (refer note 34)	566,758	-

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 million. Pursuant to the above, the Company bought back 2,871,871 equity shares and utilized Rs. 6,464 million by utilising free reserves.

Further in terms of said buy-back of equity shares, Rs. 29 has been transferred to Capital Redemption Reserve being the nominal value of shares bought back. These shares have been extinguished and stands cancelled.

Buy-back of equity shares of Capgemini India Private Limited (transferor company)

During the current year, pursuant to the approval of the Shareholders of the transferor company vide its meeting dated 12 February 2014 for buy-back of equity shares under Section 391 of the Companies Act, 1956 up to 30% of the paid-up equity share capital of the transferor company aggregating Rs. 14,905 at a maximum price of Rs. 67,374.22 per share, the Company bought-back 200,354 equity shares in June 2015 for an amount aggregating to Rs 13,499 by utilising the Surplus in Statement of Profit and Loss Account of the Company (refer note 30).

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

4 Reserves and surplus

	31 March 2016	31 March 2015
Building revaluation reserve		
Balance brought forward from previous year	1	1
Add: Additions during the year	-	-
Balance as at the end of the year	1	1
Capital redemption reserve		
Balance brought forward from previous year	304	275
Add: Transfer pursuant to buyback of shares (note 3(e))	-	29
Balance as at the end of the year	304	304
Securities premium account		
Balance brought forward from previous year	7	-
Add: Transfer pursuant to Scheme of Amalgamation (refer note 34)	-	7
Balance as at the end of the year	7	7
Employee Stock Option Reserve (refer note 45)		
Balance brought forward from previous year	-	-
Add: Employee compensation expense for the year	85	-
Balance as at the end of the year	85	-
Unrealized gain/(loss) on cashflow hedges		
Balance brought forward from previous year	505	393
Gain / (loss) on cash flow hedging derivatives, net	(448)	112
Balance as at the end of the year	57	505
General reserve		
Balance brought forward from previous year	-	-
Less: Adjustment pursuant to Scheme of Amalgamation (refer note 31)	1	-
Balance as at the end of the year	1	-
Foreign currency translation reverse		
Balance brought forward from previous year	(85)	124
Movement during the year from foreign branch operations	1	(209)
Balance as at the end of the year	(84)	(85)
Surplus in the Statement of Profit and Loss		
Balance brought forward from previous year	25,944	25,689
Add: Transfer pursuant to the amalgamation with IGATE Information Services Private Limited with the Company (Refer Note 34)	-	1,318
Less: Adjustment pursuant to buyback of shares (refer note 3(e))	-	(6,464)
Less: Transfer to capital redemption reserve towards buyback of shares (refer note 3(e))	-	(29)
Less: Adjustment pursuant to scheme of amalgamation with IGATE Information Services Private Limited with the Company (refer note 34)	-	(2)
(Loss) / profit for the year	(76)	5,432
Net surplus in the Statement of Profit and Loss	25,868	25,944
Total reserves and surplus	26,239	26,676

5 Share capital to be issued pursuant to amalgamation

	31 March 2016	31 March 2015
32,011,266 equity shares of face value of Rs.10 each to be issued at Rs. 2,247.80 per share to the erstwhile shareholders of Capgemini India Private Limited pursuant to the scheme of amalgamation was approved by the Hon'ble High Court of Judicature at Bombay on 29 September 2016 being the final hearing date (refer note 33) (31 March 2015: 566,758 equity shares of Rs.10 each to be issued to the erstwhile shareholders of IGATE Information Services Private Limited pursuant to the scheme of amalgamation with the Company (refer note 34))	71,955	6
	71,955	6

Persuant to the approval of the scheme of amalgamation by the Hon'ble High Court of Judicature at Bombay, the Company is in the process of increasing its authorised share capital.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

6 Long-term borrowings

	Non-current portion		Current maturities*	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Finance lease obligations (secured)	48	60	24	24

* Current maturities of long-term borrowings have been disclosed under 'Other current liabilities' (refer note 11).

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 9.75% to 16% p.a. (31 March 2015: 9.75% to 16% p.a.) (refer note 38(a)).

7 Other long-term liabilities

	31 March 2016	31 March 2015
Deferred rent liability	435	102
Amounts payable under employees stock option plan	121	-
	<u>556</u>	<u>102</u>

8 Provisions

	Long-term		Short-term	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Provision for employee benefits				
Compensated absences (refer note 35(d))	2,220	273	1,088	166
Gratuity (refer note 35(a))	1,371	87	-	-
Pension (refer note 35(b)(i))	2	2	-	-
Others				
Provision for current tax (net of advance tax of Rs.8,880 (31 March 2015 Rs. 3,352) (refer note 52)	-	-	1,122	650
Provision for warranties	-	-	2	5
Provision for contingencies (refer note (a))	358	-	40	-
	<u>3,951</u>	<u>362</u>	<u>2,252</u>	<u>821</u>

	31 March 2016	31 March 2015
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(a) Movement in provision for contingencies

Balance as at the beginning of the year	-	-
Pursuant to amalgamation of Capgemini India Private Limited (refer note 33)	381	-
Additions	17	-
Balance as at the end of the year	<u>398</u>	<u>-</u>

Provision for contingencies as at balance sheet date is on account of certain service tax related matters on input services amounting to Rs. 398 (31 March 2015 Rs. Nil) and provision for warranty of Rs. 2 (31 March 2015 Rs. 5). 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.

9 Short-term borrowings

	31 March 2016	31 March 2015
Pre-shipment credit in foreign currency from banks (unsecured)	-	3,250

The Company has entered into an arrangement with three banks to avail the unsecured facility at an annual interest rate ranging from LIBOR plus 35 to 50 basis points. The credit facility is renewable every six months. The borrowings are repayable on demand.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

10 Trade payables

	31 March 2016	31 March 2015
Due to micro and small enterprises (refer note 43)	30	-
Due to other than micro and small enterprises (refer note 43)	5,688	1,246
	<u>5,718</u>	<u>1,246</u>

11 Other current liabilities

	31 March 2016	31 March 2015
Accrued salaries and benefits		
Salaries (refer note 52)	815	160
Amounts payable under employees stock option plan	2,027	-
Bonus and incentives (refer note 52)	2,528	304
	<u>5,370</u>	<u>464</u>

Other liabilities

Current maturities of finance lease obligations (refer note 6)	24	24
Capital creditors	622	592
Advances received from customers	1	14
Deferred rent liability	93	2
Unclaimed dividends	2	2
Statutory dues payable*	1,948	333
Billing in advance	707	104
Book overdraft	12	-
Other payables	119	-
	<u>3,528</u>	<u>1,071</u>
	<u>8,898</u>	<u>1,535</u>

*Statutory dues payable comprises of -

Value Added Tax payable	43	41
Tax Deducted at Source payable	1,410	84
Provident Fund payable	404	106
Profession Tax payable	16	4
Employees State Insurance payable	5	1
Others	70	97
	<u>1,948</u>	<u>333</u>

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

12 Tangible Assets

	Freehold Land (refer note (b), 29)	Leasehold Land (refer note b)	Buildings (refer note b)	Computers	Office Equipment	Furniture & Fixtures (refer note a)	Leasehold Improve- ments**	Vehicles (refer note a)	Total
Gross Block									
At 1 April 2014	219	1,210	4,867	3,898	2,146	2,881	328	135	15,684
Additions pursuant to amalgamation of IGATE Information Services Private Limited (refer note 34)	-	-	18	71	39	39	46	-	213
Additions	-	-	2,482	646	1,274	1,187	67	69	5,725
Disposals	-	-	-	244	37	97	-	40	418
At 31 March 2015	219	1,210	7,367	4,371	3,422	4,010	441	164	21,204
Additions pursuant to amalgamation of Capgemini India Private Limited (Refer Note 33)	2,255	819	3,443	1,131	1,036	501	1,181	-	10,366
Additions pursuant to amalgamation of Capgemini Business Services India Private Limited (Refer Note 32)	-	-	-	34	70	106	498	-	708
Additions pursuant to amalgamation of Pune Software Park Private Limited (Refer Note 31)	-	19	90	-	-	-	-	-	109
Reclassification to assets held for sale*	-	-	-	16	49	50	308	-	423
Additions	-	72	2,733	1,832	1,128	931	613	30	7,339
Disposals	-	-	19	1,031	191	312	175	30	1,758
At 31 March 2016	2,474	2,120	13,614	6,321	5,416	5,186	2,250	164	37,545
Accumulated Depreciation									
At 1 April 2014	-	71	945	3,276	1,680	2,468	246	65	8,751
Additions pursuant to amalgamation of IGATE Information Services Private Limited (refer note 34)	-	-	4	70	39	39	45	-	197
Charge for the year	-	10	164	434	287	276	30	33	1,234
Disposals	-	-	-	243	39	97	-	23	402
At 31 March 2015	-	81	1,113	3,537	1,967	2,686	321	75	9,780
Reclassification to assets held for sale*	-	-	-	16	33	29	289	-	367
Charge for the year	-	26	378	1,399	809	632	550	30	3,824
Disposals	-	-	5	1,021	178	309	162	20	1,695
At 31 March 2016	-	107	1,486	3,899	2,565	2,980	420	85	11,542
Net block									
At 31 March 2015	219	1,129	6,254	834	1,455	1,324	120	89	11,424
At 31 March 2016	2,474	2,013	12,128	2,422	2,851	2,206	1,830	79	26,003

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

12 Tangible Assets

a) See table below for details of asset taken on finance lease included in the table above

	Furniture		Vehicles	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Gross block				
Opening balance	13	13	134	134
Less: Assets written off during the year	-	-	(19)	-
Closing balance	13	13	115	134
Accumulated Depreciation				
Opening balance	12	10	58	32
Add: Depreciation charge for the year	1	2	9	26
Less: Deletions during the year	-	-	(19)	-
Closing balance	13	12	48	58
Net block	-	1	67	76

b) Freehold land, leasehold land and buildings of gross block Rs. 6,703 and accumulated depreciation amounting to Rs.169 is pending registration in the name of IGATE Global Solutions Limited pursuant to amalgamation.

13 Intangible Assets

	Goodwill	Computer Software	Total
Gross block			
At 1 April 2014	106	2,510	2,616
Additions pursuant to amalgamation of IGATE Information Services Private Limited (refer note 34)	-	41	41
Additions	-	75	75
Disposals	-	17	17
At 31 March 2015	106	2,609	2,715
Additions pursuant to amalgamation of Capgemini India Private Limited (Refer Note 33)	39,612	229	39,841
Additions pursuant to amalgamation of Capgemini Business Services India Private Limited (Refer Note 32)	7,716	-	7,716
Additions	-	418	418
Disposals	-	2,197	2,197
At 31 March 2016	47,434	1,059	48,493
Amortization			
At 1 April 2014	106	2,278	2,384
Additions pursuant to amalgamation of IGATE Information Services Private Limited (refer note 34)	-	41	41
Charge for the year	-	185	185
Disposals	-	13	13
At 31 March 2015	106	2,491	2,597
Charge for the year	9,466	336	9,802
Disposals	-	2,196	2,196
At 31 March 2016	9,572	631	10,203
Net block			
At 31 March 2015	-	118	118
At 31 March 2016	37,862	428	38,290

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

14 Capital work-in-progress**

At 1 April 2014	2,544
Additions	4,429
Capitalization	(4,340)
At 31 March 2015	2,633
Additions due to amalgamation (refer note 33)	376
Additions	5,741
Capitalization	(7,757)
At 31 March 2016	993

*The Company has classified fixed assets of one of its premise in Mumbai as assets held for sale under "Other Current Assets" in the balance sheet. The same is recorded at lower of cost and realisable value of such assets and a loss of Rs. 44 has been recorded in the Statement of Profit and Loss for the year ended 31 March 2016 by the Company.

**During the year, the Company has capitalised rent expense of Rs. 144 (Previous year Rs. Nil) to the cost of fixed assets / CWIP. Consequently, the rent expense disclosed is net of the amount capitalised.

15 Non-current investments

	31 March 2016	31 March 2015
Trade investments (valued at cost, unless stated otherwise)		
<i>Unquoted equity instruments</i>		
<i>Investment in shares of bank</i>		
a) The Saraswat Co-Operative Bank Limited *	-	-
1,530 (Previous year: 1,530) shares of Rs.10 each fully paid up		
b) The Kapol Co-operative Bank Limited*	-	-
10 (31 March 2015: Nil) shares of Rs.10/- each fully paid up		
<i>Investment in subsidiaries</i>		
a) IGATE Infrastructure Management Services Ltd	24	24
[2,857,877 equity shares of Rs. 10 each fully paid-up (31 March 2015 - 2,857,877)]		
b) IGATE Global Solutions Mexico S.A. de C.V	118	118
[33,285 equity shares of Pesos 1,000 each fully paid-up (31 March 2015 - 33,285)]		
c) IGATE Computer Systems GmbH	381	381
[Represents capital contribution made]		
d) IGATE Singapore Pte Ltd	342	342
[10,125,237 equity shares of 1 SGD each fully paid (31 March 2015 - 10,125,237)]		
e) PCS Computer Systems Mexico SA de CV	93	93
[26,068,788 equity shares of 1 peso each fully paid-up (31 March 2015 - 26,068,788)]		
	958	958
Less : Provision for impairment**	(211)	(211)
	747	747
<i>Investment in joint venture</i>		
Thesys Technologies LLC Dubai (pursuant to scheme of amalgamation with Capgemini India Private Limited) (refer note 49)	2	-
[147 Equity Shares of 1,000 AED each fully paid up (31 March 2015 - Nil)]		
Aggregate book value of unquoted investments	749	747

* the amount is below the rounding off limit in million

**Pursuant to an evaluation of recoverability of non-current investments, the Company has fully provided for investments made in IGATE Global Solutions Mexico S.A. de C.V and PCS Computer Systems Mexico SA de CV.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

16 Deferred tax asset (net)

	31 March 2016	31 March 2015
Deferred tax liabilities		
Excess of depreciation / amortisation on fixed assets under Income Tax law over depreciation / amortisation provided in accounts	427	51
	<u>427</u>	<u>51</u>
Deferred tax assets		
Expenditure covered by section 43B of Income tax Act, 1961	1,405	125
Provision for bonus	644	-
Provision for doubtful trade receivables	169	65
Merger expenses	304	-
Others	448	87
	<u>2,970</u>	<u>277</u>
Net deferred tax asset	<u>2,543</u>	<u>226</u>
Net increase/(decrease) in deferred tax assets during the year	2,317	(130)
Less: Deferred tax assets assumed on amalgamation (refer notes 33)	2,004	-
Net deferred tax credit/(charge) recognised in the Statement of Profit and Loss	<u>313</u>	<u>(130)</u>

17 Loans and advances

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Unsecured, considered good				
To parties other than related parties				
Capital advances	129	327	-	-
Security deposit				
- Considered good	1,161	428	488	118
- Considered doubtful	24	-	-	-
Less - Provision for doubtful deposits	(16)	-	-	-
Other loans and advances				
Prepayment of pension liability (refer note 35(b)(ii))	11	-	-	-
Prepaid expenses	42	19	1,079	304
Advances to employees	77	-	491	30
Advances recoverable in cash or kind	-	-	70	80
Loans and advances to related parties (refer note 37 and 48)	85	61	10	53
Advance tax recoverable (net of provision for tax) (refer note 52)	6,006	2,057	-	-
Balances with statutory/government authorities	1,857	1,433	326	5
Advances to suppliers	-	-	127	11
MAT credit entitlement	483	1,354	-	187
	<u>9,859</u>	<u>5,679</u>	<u>2,591</u>	<u>788</u>

18 Other non-current assets

	31 March 2016	31 March 2015
Margin money deposit (refer note 21)	2	2

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

19 Current investments

	31 March 2016	31 March 2015
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
<i>Unquoted investment in mutual funds</i>		
79,361 (31 March 2015- Nil) units in Axis Liquid fund direct plan growth - CFDG	129	-
Nil (31 March 2015- 78,847) units in Axis banking debt fund - direct plan - growth	-	100
89,125 (31 March 2015- 173,944) units in Reliance Liquidity Fund Cash Plan Direct Growth Plan	217	390
100,285 (31 March 2015- Nil) units in Reliance Money Manager Fund-Growth Plan	200	-
20,662,903 (31 March 2015 - Nil) units in Reliance Banking & PSU Debt Fund Direct Growth Plan	213	-
66,590 (31 March 2015 - Nil) units in Reliance Liquidity Fund Direct Growth Plan Growth Option	241	-
105,061 (31 March 2015- 103,958) units in Religare liquid fund - growth direct plan	218	200
370,480 (31 March 2015- 312,559) units in Religare invesco credit opportunity fund - direct plan growth option	620	491
10,089,563 (31 March 2015- 5,000,000) units in DSP Black Rock Ultra Short Term Fund Direct Plan Growth	104	50
146,513 (31 March 2015 - Nil) units in DSP BlackRock Liquidity Fund- Institutional Plan-Growth Direct Plan	312	-
160,349 (31 March 2015- 9,426,776) units in HDFC Liquid Fund Direct Plan Growth Option	467	260
Nil (31 March 2015- 6,253,961) units in HDFC floating rate income fund-short term direct plan wholesale option-growth option	-	150
232,997 (31 March 2015- 117,684) units in IDFC Cash Fund -Regular Plan-Growth Direct Plan	424	200
Nil (31 March 2015- 16,711,381) units in IDFC-Money Manager Fund- treasury plan growth-direct plan	-	367
1,718,914 (31 March 2015- 2,669,242) units in IDFC Super Saver Income Fund Medium Term Plan Growth Direct Plan	40	63
8,594,983 (31 March 2015- Nil) units in IDFC Ultra Short Term Fund Growth - Direct Plan	176	-
1,031,274 (31 March 2015- 1,342,651) units in ICICI Prudential flexible income direct plan growth	284	350
Nil (31 March 2015- 1,804,164) units in ICICI Prudential Money Market Fund - Direct Plan -Growth	-	348
14,652,990 (31 March 2015 - Nil) units in ICICI Prudential Ultra Short Term Fund - Direct Plan -Growth	217	-
1,990,449 (31 March 2015 - Nil) units in ICICI Prudential Liquid - Regular Plan - Growth Direct Plan	442	-
444,202 (31 March 2015- 370,890) units in Birla Sun Life Savings Fund-Growth - Direct plan	124	100
1,329,987 (31 March 2015- 891,950) units in Birla Sun Life Cash Plus - Growth Direct Plan	314	200
Nil (31 March 2015- 76,293) units in Birla Sun Life Savings Fund-Growth - Direct Plan	-	20
202,010 (31 March 2015- 145,301) units in Tata Money Market Fund Direct Plan Growth	471	320
120,982 (31 March 2015 - Nil) units in Kotak Low Duration Fund Direct Growth	212	-
162,834 (31 March 2015 - Nil) units in Kotak Floater Short Term-(Growth) Direct Plan	398	-
2,218,511 (31 March 2015 - Nil) units in DHFL Pramerica Insta Cash Plus Fund -Direct Plan Growth	430	-
	6,253	3,609
Aggregate book value of unquoted investments	6,253	3,609

20 Trade receivables (unsecured) (refer note 52)

	31 March 2016	31 March 2015
Receivables for a period exceeding six months from the date they are due for payment		
Considered good	340	15
Considered doubtful	476	170
Less: Provision for doubtful receivables	(476)	(170)
(A)	340	15
Others		
Considered good	15,723	6,256
Considered doubtful	17	18
Less: Provision for doubtful receivables	(17)	(18)
(B)	15,723	6,256
Total (A+B)	16,063	6,271

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

21 Cash and bank balances

	31 March 2016	31 March 2015
(i) Cash and cash equivalents		
Cash on hand	-	-
Cheques/drafts on hand	5	-
Remittance in transit	106	220
Balances with banks:		
- in current accounts	1,972	1,375
- in EEFC account	569	234
- in deposits with original maturity of less than 3 months	3,250	-
- in unclaimed dividend account	2	2
(ii) Other bank balances		
Bank deposits due to mature within 12 months of the reporting date*	5,054	12
	<u>10,958</u>	<u>1,843</u>

*The deposits maintained by the Company with banks and financial institutions comprise time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal except for restricted deposit

Details of bank balances/deposits

Bank deposits/balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	3,250	-
Bank deposits/balances due to mature within 12 months of the reporting date included under 'Other bank balances'	5,054	12
Bank deposits/balances due to mature after 12 months of the reporting date included under 'Other non-current assets' (refer note 18)	2	2
	<u>8,306</u>	<u>14</u>

22 Other current assets

	31 March 2016	31 March 2015
(Unsecured, considered good, unless otherwise stated)		
Unbilled revenues	5,359	451
Interest accrued on fixed deposits	126	1
Fixed assets reclassified as held for sale (at lower of cost or net realisable value) (Refer note 12)	13	-
Plan assets	1	-
Derivative asset	85	532
	<u>5,584</u>	<u>984</u>

23 Revenue from operations

	31 March 2016	31 March 2015
Revenue from software services	108,248	33,502
	<u>108,248</u>	<u>33,502</u>

Revenue from software services includes Rs. 4,919 (Previous Year Rs. Nil) towards out of pocket expenses reimbursed by the customers.

24 Other income

	31 March 2016	31 March 2015
Interest income on bank deposits	902	2
Interest income on tax refunds and others	27	59
Profit on sale of non-current investments	-	158
Profit on sale of current investments, net	274	474
Profit on sale of fixed assets, net	32	17
Foreign exchange differences, net	767	1,071
Liabilities no longer required written back	62	34
Miscellaneous income	94	38
	<u>2,158</u>	<u>1,853</u>

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

25 Employee benefits expense	31 March 2016	31 March 2015
Salaries, wages and bonus	64,491	17,805
Employee stock compensation expense (refer note 45)	3,002	485
Contribution to provident and other funds (refer note 35(c))	2,770	841
Gratuity and pension fund (refer note 35(a) and 35(b))	795	167
Compensated absences (refer note 35(d))	929	(7)
Staff welfare expenses	835	319
	<u>72,822</u>	<u>19,610</u>
26 Finance costs	31 March 2016	31 March 2015
Interest expense	48	50
	<u>48</u>	<u>50</u>
27 Depreciation and amortization	31 March 2016	31 March 2015
Depreciation of tangible assets	3,824	1,234
Amortization of intangible assets	9,802	185
	<u>13,626</u>	<u>1,419</u>
28 Other expenses	31 March 2016	31 March 2015
Sub-contracting expenses	3,134	3,205
Staff education and training expenses	651	61
Software and hardware expenses	627	297
Power, fuel and utilities	1,255	561
Rent (refer note 12,14 and 38(b))	3,161	670
Rates and taxes	223	286
Insurance	43	57
Repairs and maintenance		
- Buildings	480	212
- Others	215	123
Computer maintenance	1,484	165
Office maintenance	875	268
Printing and stationery	94	21
Advertisement and sales promotion	38	115
Travel and conveyance	6,719	1,020
Communication	592	238
Recruitment expenses	357	83
Legal and professional fees	544	256
Donations	1	-
Expenditure towards Corporate Social Responsibility initiatives (refer note 46)	150	36
Auditors' remuneration (refer note 42)	21	10
Bank charges	20	11
Merger and reorganization expenses	798	-
Provision for contingencies	17	-
Provision for bad and doubtful receivables	84	-
Provision for doubtful deposits	16	-
Bad debts written-off	24	62
Group management fees	546	-
Miscellaneous expenses	453	121
	<u>22,622</u>	<u>7,878</u>

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

29 Government grant

In accordance with AS 12 – ‘Accounting for Government Grants’ and pursuant to an agreement entered into between Capgemini India Private Limited (transferor company) (CIPL) and the Government of Andhra Pradesh, CIPL has accounted for freehold land received as a non-monetary grant from the Government of Andhra Pradesh. The value of the grant recognised on the balance sheet of the transferor company as at 31 March 2015 of Rs. 50 (fair value Rs. 2,255) has been arrived at based on the agreement value (including stamp duty and registration fees), with a credit to the Deferred Government Grant Account.

CIPL was required to comply with the condition of generating employment for 3,000 eligible people by August 2011. CIPL made an application to Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) which is the nodal agency for approving extension of time period for fulfillment of conditions of land allotment till March, 2014 since CIPL as at August 2011 had not generated employment for a portion of that number. On 31 March 2013, CIPL complied with the condition of generating employment for the required number of people. On 30 December 2014, it has received approval from Telangana State Industrial Infrastructure Corporation Limited (TSIIC) on satisfaction of conditions as per the agreement and to transfer freehold land in the name of CIPL. It has, accordingly, executed deed for registering the land under CIPL’s name on 12 May 2015 and the deed was registered on 11 June 2015.

30 Share buy back

In accordance with Section 391 of the Companies Act, 1956 and pursuant to approval of the shareholders of Capgemini India Private Limited (transferor company) vide their meeting dated 12 February 2014, the Company bought-back 200,254 equity shares from their shareholders. On 17 June 2015, the Company transferred Rs. 13,195 to Kanbay (Asia) Limited and Rs. 303 to Capgemini Financial Service International INC pursuant to the share buy back program.

Details of the buy-back are as under:

Particulars

Date of Shareholders’ Meeting	12-Feb-14
Number of shares bought back	200,354
Face value of shares purchased	100
Consideration paid towards buy back	13,499
Share capital reduction %	20
Surplus in Statement of Profit and Loss account utilised	13,499
Amount transferred to Capital redemption reserve on extinguishment of Share capital	20

31 Amalgamation of wholly owned subsidiary, Pune Software Park Private Limited

The Board of Directors, vide their meeting dated 30 March 2015, in principle approved the Scheme of Amalgamation (‘the Scheme’) of Pune Software Park Private Limited (‘transferor company’) with Capgemini India Private Limited (CIPL) (amalgamated with IGATE Global Solutions Limited effective 1 April 2015). CIPL on 8 April 2015 filed the Scheme of Amalgamation with Hon’ble High Court of Judicature at Bombay. The Hon’ble High Court of Judicature at Bombay approved the Scheme of Amalgamation on 26 February 2016 effective 1 April 2015 which is the Appointed date prescribed in the order. The Scheme has, accordingly, been given effect to in these financial statements.

- i) Pune Software Park Private Limited was engaged in the business of providing infrastructural facilities to Software and Telecommunication Companies based in Pune.
- ii) In line with the Scheme, the said amalgamation has been accounted for under the “Pooling of Interests” method as prescribed in the Accounting Standard 14 ‘Accounting for Amalgamations’ issued by the Institute of Chartered Accountants of India and as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. There are no differences in the accounting policies followed by CIPL and the transferor company
 - the entire business and undertaking of Pune Software Park Private Limited including all the assets, liabilities and reserves as a going concern have been transferred to and vested in CIPL pursuant to the Scheme at their respective book values under the respective accounting heads of CIPL from the appointed date i.e. 1 April 2015
 - Pune Software Park Private Limited was a wholly owned subsidiary of CIPL and accordingly, no consideration was payable pursuant to the scheme of amalgamation. The equity shares held by CIPL in the wholly owned subsidiary i.e. the transferor company stands cancelled and no shares were issued to effect the amalgamation.
 - all inter-company balances and transactions have been cancelled/ eliminated.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

The amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the scheme at the values given below:

Particulars

Fixed assets (Net) including capital work-in-progress	36
Non-current investments (amount is below rounding off limit)	-
Cash and bank balances	118
Other current assets and debtors	9
Loans and advances	1
Total assets acquired on amalgamation (A)	164
Liabilities and provisions	1
Total liabilities acquired on amalgamation (B)	1
Net assets acquired on amalgamation (C) = (A-B)	163
General Reserve balance of the transferor company as on March 31, 2015 taken over - considered as addition of opening balance of Company's General Reserve Account	1
Profit and Loss balance of the transferor company as on March 31, 2015 taken over - considered as addition of opening balance of Company's Statement of Profit and Loss	113
Investment in shares of transferor company	171
Cancellation of Share capital of transferor company	50
Difference between the value of net assets of Pune Software Park Private Limited (including reserves) transferred to the Company after adjusting for investments cancelled has been debited to Statement of Profit and Loss under Reserves and Surplus of Capgemini India Private Limited	121

32 Amalgamation of Capgemini Business Services (India) Private Limited

The Board of Directors, at their meeting held on 29 April 2015 approved the Scheme of Amalgamation ('the Scheme') of Capgemini Business Services (India) Private Limited ('transferor company') with Capgemini India Private Limited (CIPL) (amalgamated with IGATE Global Solutions Limited effective 1 April 2015). CIPL, on 31 July 2015, filed the Scheme of Amalgamation with Hon'ble High Court of Judicature at Bombay. The Hon'ble High Court of Judicature at Bombay approved the Scheme of Amalgamation on 18 December 2015 effective 1 April 2015 which is the Appointed Date prescribed in the order. The Scheme has, accordingly, been given effect to in these financial statements as from the Appointed Date.

- i) In terms of the Scheme of Amalgamation, the whole of the undertaking of Capgemini Business Services (India) Private Limited as a going concern stands transferred to and vested in CIPL with effect from 1 April 2015, being the Appointed Date.
- ii) Capgemini Business Services (India) Private Limited was engaged in the business of providing financial shared services and governance, risk and compliance services to its clients.
- iii) In consideration of Capgemini Business Services (India) Private Limited's amalgamation with CIPL, CIPL has issued 152,816 equity shares of the face value of Rs 100 each, aggregating to Rs 15 in the ratio of 306 equity shares of the face value of Rs 100 each of CIPL for every 10 fully paid up equity shares of the face value of Rs 100 each held by shareholders of Capgemini Business Services (India) Private Limited. The above mentioned equity shares (hereinafter referred to as the 'New Equity Shares on amalgamation') have been issued at a fair value of Rs 75,803 per share resulting in the total consideration aggregating Rs 11,584.
- iv) The said amalgamation has been accounted for under the "Purchase" method as prescribed by the Accounting Standard 14 - 'Accounting for Amalgamations' issued by the Institute of Chartered Accountants of India and as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Relevant provisions of the Scheme of Amalgamation and Arrangement as approved by the Honorable High Court are as under;
 - a) Pursuant to the Scheme of Amalgamation and Arrangement, all the assets and liabilities of the Transferor Company transferred to and vested in the Transferee Company shall be recorded at their fair value as determined by the Board of Directors of the Transferee Company.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

- b) Any excess of the fair value of the shares issued by the Transferee Company as consideration over the value of the net assets of the Transferor Company acquired by the Transferee Company shall be adjusted in the Transferee Company's financial statements as Goodwill arising on Amalgamation.
- c) Pursuant to the provision of Section 391 to 394 and other applicable provisions of the Act, the entire undertaking of the Transferor Company comprising its business, all assets and liabilities as referred to in the Scheme of Amalgamation and Arrangement is to be transferred to and vested in and / or deemed to be transferred to and vested in the Company as a going concern.
- d) On the Scheme of Amalgamation and Arrangement coming into effect on 21 January 2016 i.e. the Effective Date, the Transferor Company shall, without any further act or deed, stand dissolved without winding up.

The amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the scheme at the values given below:

Particulars	Amount
Fixed assets (Net) including capital work-in-progress	708
Deferred tax assets	100
Long-term loans and advances	383
Trade receivables	1,668
Cash and bank balances	1,711
Short-term loans and advances	402
Other current assets	96
Total assets acquired on amalgamation (A)	5,068
Non-Current liabilities	69
Current liabilities and provisions	1,131
Total liabilities acquired on amalgamation (B)	1,200
Net assets acquired on amalgamation (C) = (A-B)	3,868
Fair value of share issued by CIPL (D)	11,584
Goodwill arising out of Amalgamation	7,716

Goodwill arising on amalgamation is tax deductible. On account of the above amalgamation, the Company has amortised goodwill amounting to Rs. 1,929 for tax return purposes.

33 Amalgamation of fellow subsidiary, Capgemini India Private Limited

The Board of Directors at a meeting held on 25 January 2016 approved the Scheme of Amalgamation ('the Scheme') of Capgemini India Private Limited ('Transferor Company') with the Company. The Company on 3 February 2016 filed the Scheme of Amalgamation with Hon'ble High Court of Judicature at Bombay. The Hon'ble High Court of Judicature at Bombay approved the Scheme of Amalgamation on 29 September 2016 effective 1 April 2015 which is the Appointed Date prescribed in the order. The Scheme has, accordingly, been given effect to in these financial statements.

- i) In terms of the Scheme of Amalgamation, the whole of the undertaking of Capgemini India Private Limited as a going concern stands transferred to and vested in the Company with effect from 1 April 2015, being the Appointed Date.
- ii) Capgemini India Private Limited was engaged in the business of providing information technology related consulting, technology and outsourcing services and information technology enabled back office support services.
- iii) In consideration of Capgemini India Private Limited's amalgamation with the Company, the Company issued 32,011,266 equity shares of the face value of Rs 10 each aggregating to Rs 320 in the ratio of 464 equity shares of IGATE Global Solutions Limited of INR 10 each fully paid up for every 10 equity shares of Capgemini India Private Limited of Rs.100 each fully paid up. The above mentioned equity shares (hereinafter referred to as the 'New Equity Shares on amalgamation') have been issued at a fair value of Rs 2,247.80 per share resulting in the total consideration aggregating Rs 71,955.
- iv) The said amalgamation has been accounted for under the "Purchase" method as prescribed by the Accounting Standard 14 - 'Accounting for Amalgamations' issued by the Institute of Chartered Accountants of India and as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Relevant provisions of the Scheme of Amalgamation and Arrangement as approved by the Honorable High Court are as under:

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

- Pursuant to the Scheme of Amalgamation and Arrangement, all the assets and liabilities of the Transferor Company transferred to and vested in the Transferee Company shall be recorded at their fair value as determined by the Board of Directors of the Transferee Company.
- Any excess of the fair value of the shares issued by the Transferee Company as consideration over the value of the net assets of the Transferor Company acquired by the Transferee Company shall be adjusted in the Transferee Company's financial statements as Goodwill arising on Amalgamation.
- Pursuant to the provision of Section 391 to 394 and other applicable provisions of the Act, the entire undertaking of the Transferor Company comprising its business, all assets and liabilities as referred to in the Scheme of Amalgamation and Arrangement is to be transferred to and vested in and / or deemed to be transferred to and vested in the Company as a going concern.
- On the Scheme of Amalgamation and Arrangement coming into effect on 14 November 2016 i.e. the Effective Date, the Transferor Company shall, without any further act or deed, stand dissolved without winding up.

The amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the Scheme at the values given below:

Particulars	Capgemini India Private Limited	Capgemini Business Services (India) Private Limited (refer note 32)	Pune Software Park Private Limited (refer note 33)	Amount
Fixed assets (Net) including capital work-in-progress				
- Tangible assets	10,366	708	109	11,183
- Intangible assets	229	-	-	229
- Goodwill pursuant to amalgamation (refer note 32)	-	7,716	-	7,716
Capital work-in-progress	376	-	-	376
Non-current investments	2	-	0	2
Deferred tax assets	1,904	100	-	2,004
Long-term loans and advances	1,864	383	1	2,248
Other non-current assets	2	-	-	2
Trade receivables	8,183	1,668	3	9,854
Cash and bank balances	16,904	1,711	118	18,733
Short-term loans and advances	788	402	0	1,190
Other current assets	3,594	96	6	3,696
Total assets acquired on amalgamation (A)	44,212	12,784	237	57,233
Non-Current liabilities	3,239	69	-	3,308
Current liabilities and provisions	6,951	1,131	1	8,083
Liability on account of Buy back of CIPL equity share	13,499	-	-	13,499
Total liabilities acquired on amalgamation (B)	23,689	1,200	1	24,890
Net assets acquired on amalgamation (C) = (A-B)	20,523	11,584	236	32,343
Fair value of shares pending allotment pursuant to Scheme of Amalgamation i.e. consideration (D)				71,955
Goodwill arising out of Amalgamation				39,612

Goodwill arising on amalgamation is tax deductible. On account of the above amalgamation, the Company has amortised goodwill amounting to Rs. 9,903 for tax return purposes.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

34 Amalgamation of IGATE Information Services Private Limited with the Company

During the previous year, in accordance with the scheme of Amalgamation ("the Scheme") erstwhile IGATE Information Services Private Limited, primarily engaged in providing IT and IT enabled operations offshore outsourcing solutions and services, ("the Amalgamating Company") as approved by the members on 23 March 2015, and subsequently sanctioned by the Honorable High Court of Bombay by order dated 4 September 2015, has been merged with the Company. The undertaking of the Amalgamating Company being all the properties, rights and powers including all the assets, debts, liabilities, duties and obligations have been transferred to and vested in the Company retrospectively with effect from 1 April 2014. The Scheme has accordingly been given effect to in the financial statements, after recording the adjustments required therein.

The amalgamation has been accounted for under the "Pooling of interest" method as prescribed by Accounting Standard (AS) 14 (Accounting for Amalgamations) issued by the Institute of Chartered Accountants of India (ICAI). Accordingly the assets, liabilities and reserves of the Amalgamating Company have been recorded by the Company at their existing carrying amounts as on 1 April 2014 after making necessary adjustments to align with the accounting policies adopted by the Company.

Pursuant to the Scheme, 566,758 equity shares of Rs.10 each of the Company were required to be allotted to the shareholders of the Amalgamating Company as complete settlement of the purchase consideration. Pending allotment, an amount of Rs.6 million was disclosed as share application money pending allotment as at 31 March 2015. The shares have been allotted during the current year and the share application money has been suitably adjusted.

All profits or income accruing or arising to and expenditures or losses incurred by the Amalgamating Company during the period 1 April 2014 to 31 March 2015 have also been incorporated in these financial statements. During this period, the amalgamating Company carried on the existing business and activities in trust for and on behalf of the Company. Accordingly all vouchers, documents, etc. for the period are in the name of the Amalgamating Company. The title deeds for all contracts, deeds, bonds, licenses, agreements, loan documents, etc., are being transferred in the name of the Company.

In terms of the scheme, all employees in service of the Amalgamating Company have become employees of the Company without any break of interruption in service. All rights, duties, powers and obligations of the Amalgamating Company with respect to employee benefits have been transferred to the Company.

The details of assets and liabilities taken over pursuant to scheme of amalgamation are as follows:

Fixed assets	16
Non-current investments	1
Other non-current assets	3
Deferred tax assets	25
Long-term loans and advances	127
Current investments	951
Trade receivables	169
Cash and bank balances	60
Other current assets	1
Short-term loans and advances	60
Total assets acquired on amalgamation (A)	1,413
Long-term provisions	20
Trade payables	37
Other current liabilities	7
Short-term provisions	20
Total liabilities acquired on amalgamation (B)	84
Reserves	
Securities premium account	7
Net surplus in the Statement of Profit and Loss	1,318
Total reserves acquired on amalgamation (C)	1,325
Net assets (A-B-C)	4
Purchase consideration	6
Excess of purchase consideration over net assets debited to surplus in the Statement of Profit and Loss	(2)

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

35 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 summarizes the components of net benefit expense recognized in the Statement of Profit and Loss and the position of assets and obligations relating to the plan.

	31 March 2016	31 March 2015
Amount to be recognised in balance sheet		
Present value of defined benefit obligation	3,948	967
Fair value of plan assets	(2,577)	(880)
Net Liability	1,371	87
Amounts in the Balance Sheet:		
Liabilities		
Current	-	-
Non-current	1,371	87
Present Value of Defined Benefit Obligation		
Projected benefit obligation at the beginning of the year	967	803
Projected benefit obligation assumed on amalgamation (refer note 33)	2,356	20
Current service cost	739	158
Interest cost	300	77
Benefits paid	(328)	(120)
Actuarial (gains) / losses	(86)	29
Projected benefit obligation at the end of the year (A)	3,948	967
Fair Value of Plan Asset		
Fair Value of plan assets at beginning of the year	880	800
Fair Value of plan assets acquired on amalgamation (refer note 33)	1,021	-
Contributions by employer	847	101
Expected return	154	55
Actuarial gains	3	43
Benefits paid	(328)	(119)
Fair Value of plan assets at end of the year (B)	2,577	880
Amount recognised in Balance Sheet (A-B)	1,371	87
Expense to be Recognised in Statement of Profit and Loss		
Current service cost	739	158
Interest cost	300	77
Expected return on plan assets	(154)	(55)
Actuarial gains	(89)	(13)
Total included in "Employee benefit expenses" (Refer Note 25)	795	167
Return on plan assets		
Expected return on plan assets	154	55
Actuarial gain	3	43
Actual return on plan assets	157	98

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

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

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 during the year ending 31 March 2017 is Rs. 650.

The principal assumptions used in determining the gratuity benefit are shown below:

Salary escalation rate	7%-8%	6% - 10%
Discount rate	7.75% to 7.95%	7.95%
Expected rate of return on plan assets	8%	7.50%

Experience adjustments for the current year and previous four years are as follows:

	31-March-12	31-March-13	31-March-14	31-March-15	31-March-16
Defined benefit obligation	181	792	797	967	3,948
Fair value of Plan assets	169	694	749	880	2,577
Surplus/(Deficit) in the plan	(13)	(10)	(48)	(87)	(1,371)
Experience adjustment arising on plan liabilities	-	586	(57)	(17)	(147)
Experience adjustment arising on plan assets	-	364	(8)	42	4

(b) Pension benefits

(i) Pension liability

One of the founder director of erstwhile IGATE Computer Systems Limited is entitled to receive pension benefits upon retirement or on termination from employment, at the rate of 50% of his last drawn monthly salary. The payment of pension will start when he reaches the age of 65. The Company has invested in a plan with Life Insurance Corporation of India which will mature at the time the founder director will reach the age of 65. Since the Company is obligated to fund the shortfall, if any, between annuity payable and the value of plan assets, the pension liability is actuarially valued at each balance sheet date.

The following table summarizes the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet.

	31 March 2016	31 March 2015
Amount to be recognised in balance sheet		
Present value of defined benefit obligation	72	67
Fair value of plan assets	(70)	(65)
Net Liability	2	2
Amounts in the Balance Sheet:		
Liabilities		
Current	-	-
Non-current	2	2
Present Value of Defined Benefit Obligation		
Projected benefit obligation at the beginning of the year	67	63
Interest cost	5	4
Projected benefit obligation at the end of the year (A)	72	67
Fair Value of Plan Asset		
Fair Value of plan assets at beginning of the year	65	62
Expected return	5	3
Fair Value of plan assets at end of the year (B)	70	65
Amount recognised in Balance Sheet (A-B)	2	2
Expense to be Recognised in Statement of Profit and Loss		
Interest cost	4	4
Expected return on plan assets	(3)	(4)
Total included in "Employee benefit expenses" (Refer Note 25)	1	-

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Return on plan assets		
Expected return on plan assets	3	4
Actual return on plan assets	4	4
Category of Assets	%	%
Insurer Managed Funds	100%	100%
The principal assumptions used in determining pension are shown below:		
Discount rate (p.a)	7.00%	7.00%
Expected rate of return on plan assets	6.32%	6.32%

Discount Rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Experience adjustments for the current year and previous four years are as follows:

	31-March-12	31-March-13	31-March-14	31-March-15	31-March-16
Defined benefit obligation	55	59	63	67	72
Plan Assets	55	58	62	66	70
Surplus/(Deficit)	-	(1)	(1)	(2)	(2)
Expense adjustment on Plan Liabilities	-	-	-	-	-
Expense adjustment on Plan Assets	2	-	-	-	-

(ii) **Prepayment of pension liability of Capgemini Business Services (India) Private Limited**

Employees of the Capgemini Business Services (India) Private Limited 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, 66-213% of Member's pension is payable to the spouse during her/ his lifetime.

	31 March 2016	31 March 2015
Amount recognised in balance sheet		
Present value of defined benefit obligation	30	-
Fair value of plan assets	(45)	-
Amount not recognised as an asset (limit in para 59b)	4	-
Net liability / (asset)	(11)	-
Amounts in the Balance Sheet:		
Assets		
Current	-	-
Non-current	11	-
Present Value of Defined Benefit Obligation		
Projected benefit obligation at the beginning of the year	-	-
Projected benefit obligation assumed on amalgamation (refer note 33)	27	-
Current Service Cost	2	-
Interest cost	2	-
Actuarial Losses / (Gains)	(1)	-
Projected benefit obligation at the end of the year (A)	30	-

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Fair Value of Plan Assets

Fair Value of plan assets at beginning of the year	-	-
Fair Value of plan assets acquired on amalgamation (refer note 33)	42	-
Expected return	3	-
Actuarial Gains	1	-

Fair Value of plan assets at end of the year (B)

45 -

Amount not recognised as an asset (limit in para 59b) (C)

4 -

Amount recognised in Balance Sheet (A-B-C)

(11) -

Expense to be Recognised in Statement of Profit and Loss

Current Service Cost	2	-
Interest cost	2	-
Expected return on plan assets	(3)	-
Actuarial Losses / (Gains)	(2)	-

Total included in "Employee benefit expenses" (Refer Note 25)

(1) -

Return on plan assets

Expected return on plan assets	3	-
Actuarial gain	1	-
Actual return on plan assets	4	-

Category of Assets

% %

Insurer Managed Funds	100%	-
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The principal assumptions used in determining pension are shown below:

Discount rate (p.a)	7.50% p.a.	-
Expected rate of return on plan assets	8%	-
Salary Escalation Rate	7% for the first 2 years 6.50% thereafter	-

(i) Discount Rate:

The discount rate is based on the prevailing market yields of Indian government securities 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.

Experience adjustments for the current year and previous four years are as follows:

	31-March-12	31-March-13	31-March-14	31-March-15	31-March-16
Defined benefit obligation	-	-	-	-	35
Plan Assets	-	-	-	-	45
Surplus/(Deficit)	-	-	-	-	11
Expense adjustment on Plan Liabilities	-	-	-	-	(2)
Expense adjustment on Plan Assets	-	-	-	-	1

(c) Provident fund

a) Defined Contribution Plan -

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund, which is a defined contribution plan. The Company has no obligation other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as an expense towards contribution to Provident fund for the year aggregated Rs. 646 (31 March 2015 Rs. 658).

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

b) Defined Benefit Plan -

Eligible employees of Capgemini India Private Limited (transferor company), receive benefits from a provident fund, which is a defined benefit plan and is administered by the Company managed Trust. The Company and its employees contribute each month to a Provident Fund equally at a specified rate of basic salary of each employee. The Company contributed Rs. 1,993 towards provident fund during the year out of which Rs. 1,305 was contributed to employer managed PF trust and the remaining amount of Rs. 688 was paid to the Central Government towards pension, as required by the PF Rules.

The fund is administered by the Company through a trust set up for the purpose. All assets of the plan are owned by the Trust and comprise of approved debt and other securities and deposits with banks.

The Guidance on implementing AS 15, Employee Benefits(revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving employer established provident funds, which require interest shortfalls to be recompensated are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities during the year ended 31 March 2012. The actuary has accordingly carried out a valuation which determined the shortfall towards such interest liability to be Nil.

	31 March 2016	31 March 2015
Amount to be recognised in balance sheet		
Present value of defined benefit obligation	18,257	-
Fair value of plan assets	(18,257)	-
Net Liability	-	-
Amounts in the Balance Sheet:		
Liabilities		
Current	-	-
Non-current	-	-
Present Value of Defined Benefit Obligation		
Projected benefit obligation at the beginning of the year	-	-
Projected benefit obligation assumed on amalgamation (refer note 33)	14,516	-
Current Service Cost	1,305	-
Interest cost	1,154	-
Actuarial Losses / (Gains)	448	-
Employees contribution	1,843	-
Liabilities assumed on acquisition/ (settled on divestiture)	(574)	-
Benefits paid	(435)	-
Projected benefit obligation at the end of the year (A)	18,257	-
Fair Value of Plan Assets		
Fair Value of plan assets at beginning of the year	-	-
Fair Value of plan assets acquired on amalgamation (refer note 33)	14,516	-
Expected return	1,377	-
Actuarial Gains	225	-
Employer contribution during the year	1,305	-
Employee contribution during the year	1,843	-
Assets acquired on acquisition/ (settled on divestiture)	(574)	-
Benefits paid	(435)	-
Fair Value of plan assets at end of the year (B)	18,257	-
Amount recognised in Balance Sheet (A-B)	-	-

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

	31 March 2016	31 March 2015
Expense to be Recognised in Statement of Profit and Loss		
Current service cost	1,305	-
Interest cost	1,154	-
Expected return on plan assets	(1,377)	-
Actuarial (gains) / losses	223	-
Total	1,305	-
Return on plan assets		
Expected return on plan assets	1,377	-
Actuarial Losses	(227)	-
Actual return on plan assets	1,150	-
Category of Assets		
Government of India securities	45%	-
Corporate Bonds	47%	-
Equity shares of Listed companies	2%	-
Others	6%	-
	100%	-

The principal assumptions used in determining the gratuity benefit are shown below:

Discount rate	7.50% - 7.80% p.a.	-
Expected rate of return on plan assets	8.94% - 9.10%	-
Discount rate for the remaining term to maturity of investment	7.77% - 7.98% p.a.	-
Average historic yield on the investment	9.21% - 9.28%	-
Guaranteed rate of return	8.8% p.a.	-

Experience adjustments for the current year and previous four years are as follows:

	31-March-12	31-March-13	31-March-14	31-March-15	31-March-16
Defined benefit obligation	-	-	-	-	18,257
Fair value of Plan assets	-	-	-	-	18,257
Surplus/(Deficit) in the plan	-	-	-	-	-
Experience adjustment arising on plan liabilities	-	-	-	-	448
Experience adjustment arising on plan assets	-	-	-	-	225

(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 2016	31 March 2015
Short-term provision (refer note 8)	1,088	166
Long-term provision (refer note 8)	2,220	273
	3,308	439

Actuarial Assumptions

Discount rate	7.75% to 7.95%	7.95%
Salary escalation rate	7%-8%	6% - 10%

36 Segment reporting

The Company'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 Company considers all of these services to be relating to one segment i.e. IT enabled services. The Company 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.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

The Company'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 Company 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 Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

The Company has customers in the following geographic areas:

Geographic Area	Country
America	Argentina, Brazil, Canada, Chile, Guatemala, Mexico, Trinidad & Tobago, Uruguay and United States of America
Europe	Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Gibraltar, Hungary, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden, Switzerland and United Kingdom
India	India
Rest of the World	Australia, Bahrain, China, Hong Kong, Indonesia, Japan, Malaysia, Mauritius, Oman, Philippines, Qatar, Republic of South Korea, Saudi Arabia, Singapore, South Africa, Turkey, United Arab Emirates and Vietnam

	31 March 2016	31 March 2015
Revenue		
- India	10,711	778
- Europe	42,216	6,784
- America	48,120	22,980
- Rest of the world	7,201	2,960
	<u>108,248</u>	<u>33,502</u>
Segment assets		
Trade receivables		
- India	1,896	417
- Europe	6,782	1,707
- America	5,858	3,851
- Rest of the world	1,527	296
	<u>16,063</u>	<u>6,271</u>
Unbilled revenue		
- India	2,179	43
- Europe	2,093	96
- America	686	268
- Rest of the world	401	44
	<u>5,359</u>	<u>451</u>
Billing in advance		
- India	180	1
- Europe	360	46
- America	136	30
- Rest of the world	31	27
	<u>707</u>	<u>104</u>

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Advances from customers

- India	1	10
- Europe	-	-
- America	-	4
- Rest of the world	-	-
	<u>1</u>	<u>14</u>

37 Related party disclosures

Related Party Disclosures in accordance with the Accounting Standard 18 - "Related Party Disclosures" notified under section 133 of Companies Act, 2013 are given below.

Names of related parties and related party relationship

Related party where control exists

Ultimate Holding company

Capgemini S.A.

Holding company

PAN-Asia IGATE Solutions

Subsidiary Companies

Patni Computer Systems GmbH

IGATE Infrastructure Management Services Limited.

IGATE Global Solutions Mexico, S.A. de C.V.

PCS Computer Systems Mexico, S.A. de C.V.

Patni Computer Systems (Suzhou) Co. Ltd

IGATE Singapore Pte Ltd

Joint Venture

Thesys Technologies LLC

Key Management Personnel

Ashok Vemuri - Director (Resigned on October 6, 2015)

Sujit Sircar - Director

Mukund Srinath - Company Secretary

Ashok Trivedi - Director (Resigned on July 1, 2015)

Sunil Wadhvani - Director (Resigned on July 1, 2015)

Nagesh Kumar M - Chief Financial Officer

Michel Ginot - Legal Finance Director

Employee benefit funds where control exists

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

Fellow subsidiaries

Capgemini (China) Co. Ltd.	Fellow subsidiary	Capgemini Business Services (India) Private Limited (till 31 March 2015)	Fellow subsidiary
Capgemini (Hangzhou) Co. Limited	Fellow subsidiary	Capgemini Business Services Brasil - Assessoria Empresarial Ltda	Fellow subsidiary
Capgemini America Inc.	Fellow subsidiary	Capgemini Business Services Chile Ltda	Fellow subsidiary
Capgemini Argentina, S.A.	Fellow subsidiary	Capgemini Business Services Guatemala SA	Fellow subsidiary
Capgemini Asia Pacific Pte. Ltd. - Taiwan Branch	Fellow subsidiary	Capgemini Canada Inc.	Fellow subsidiary
Capgemini Australia Pty. Ltd.	Fellow subsidiary	Capgemini Colombia SAS	Fellow subsidiary
Capgemini BAS BV	Fellow subsidiary	Capgemini Consulting Österreich AG	Fellow subsidiary
Capgemini Belgium NV/S.A.	Fellow subsidiary	Capgemini Consulting S.A.S.	Fellow subsidiary
Capgemini BST S.P.A.	Fellow subsidiary	Capgemini Czech Republic s.r.o	Fellow subsidiary
Capgemini Business Services (Asia) Limited	Fellow subsidiary		
Capgemini Business Services (China) Limited	Fellow subsidiary		

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Capgemini Deutschland GmbH	Fellow subsidiary	Capgemini Sverige AB	Fellow subsidiary
Capgemini Deutschland Holding GmbH	Fellow subsidiary	Capgemini Technologies LLC	Fellow subsidiary
Capgemini Dubai LLC	Fellow subsidiary	Capgemini Technology Services	Fellow subsidiary
Capgemini Educational Services B.V.	Fellow subsidiary	Capgemini Telecom Media & Networks	
Capgemini Energy LP	Fellow subsidiary	Deutschland GmbH	Fellow subsidiary
Capgemini España S.L.	Fellow subsidiary	Capgemini UK Plc	Fellow subsidiary
Capgemini Est SAS	Fellow subsidiary	Capgemini Universite S.A.S.	Fellow subsidiary
Capgemini Finance et Services S.A.S.	Fellow subsidiary	Capgemini US LLC	Fellow subsidiary
Capgemini Financial Services (Japan) Inc.	Fellow subsidiary	CHCSS Services Inc	Fellow subsidiary
Capgemini Financial Services Canada Inc	Fellow subsidiary	CPM Braxis Erp Tecnologia da Informação Ltda.	Fellow subsidiary
Capgemini Financial Services HK Ltd.	Fellow subsidiary	CPM Braxis S.A.	Fellow subsidiary
Capgemini Financial Services International Inc.	Fellow subsidiary	IBX Group AB	Fellow subsidiary
Capgemini Financial Services UK Limited	Fellow subsidiary	IGATE Computer Systems (UK) Limited	Fellow subsidiary
Capgemini Financial Services USA Inc.	Fellow subsidiary	IGATE Corporation	Fellow subsidiary
Capgemini Finland Oy	Fellow subsidiary	IGATE Information Services (UK) Limited	Fellow subsidiary
Capgemini Gouvieux S.A.S	Fellow subsidiary	IGATE Technologies Luxembourg S.á r.l.	Fellow subsidiary
Capgemini Government Solutions LLC	Fellow subsidiary	IGATE Technologies Canada Inc.,	Fellow subsidiary
Capgemini Hong Kong Ltd.	Fellow subsidiary	IGATE Technologies Inc.	Fellow subsidiary
Capgemini Italy SPA	Fellow subsidiary	Inergi LP	Fellow subsidiary
Capgemini Japan KK	Fellow subsidiary	Kanbay (Asia) Limited	Fellow subsidiary
Capgemini Magyarorszag Kft.	Fellow subsidiary	Kanbay International Inc	Fellow subsidiary
Capgemini Mexico S. de R.L	Fellow subsidiary	Kanbay Limited	Fellow subsidiary
Capgemini Middle East FZ-LLC	Fellow subsidiary	New Horizon System Solutions LP	Fellow subsidiary
Capgemini Nederland BV	Fellow subsidiary	Prosodie SA	Fellow subsidiary
Capgemini Norge A/S	Fellow subsidiary	Societe en Commandite Capgemini	
Capgemini North America Inc.	Fellow subsidiary	Quebec Limited Partnership	Fellow subsidiary
Capgemini OS Electric S.A.S.	Fellow subsidiary	Societe General Global Solutions	
Capgemini Ouest SAS	Fellow subsidiary	Centra Private Limited	Fellow subsidiary
Capgemini Outsourcing BV	Fellow subsidiary	Sogeti Belgium S.A.	Fellow subsidiary
Capgemini Outsourcing Services GmbH	Fellow subsidiary	Sogeti Corporate Services S.A.S.	Fellow subsidiary
Capgemini Outsourcing Services S.A.S.	Fellow subsidiary	Sogeti Deutschland GmbH	Fellow subsidiary
Capgemini Philippines SBOS	Fellow subsidiary	Sogeti Finland Oy	Fellow subsidiary
Capgemini Polska Sp. z.o.o	Fellow subsidiary	Sogeti France S.A.S.	Fellow subsidiary
Capgemini Portugal, Serviços de Consultoria e Informatica, S.A.	Fellow subsidiary	Sogeti High Tech S.A.S.	Fellow subsidiary
Capgemini Saudi Arabia Limited	Fellow subsidiary	Sogeti Infrastructure Services SAS	Fellow subsidiary
Capgemini Service Romania s.r.l.	Fellow subsidiary	Sogeti Ireland Ltd	Fellow subsidiary
Capgemini Service S.A.S.	Fellow subsidiary	Sogeti Ltd	Fellow subsidiary
Capgemini Services Malaysia Sdn Bhd	Fellow subsidiary	Sogeti Luxembourg S.A.	Fellow subsidiary
Capgemini Schweiz AG, Outsourcing services	Fellow subsidiary	Sogeti Nederland BV	Fellow subsidiary
Capgemini Singapore Pte. Ltd.	Fellow subsidiary	Sogeti Norge AS	Fellow subsidiary
Capgemini Singapore Pte. Ltd. - Abu Dabhi Branch	Fellow subsidiary	Sogeti Suisse SA	Fellow subsidiary
Capgemini Slovensko s.r.o.	Fellow subsidiary	Sogeti Sverige AB	Fellow subsidiary
Capgemini Sogeti Danmark A/S	Fellow subsidiary	Sogeti UK Ltd	Fellow subsidiary
Capgemini Suisse AG	Fellow subsidiary	Sogeti USA LLC	Fellow subsidiary
Capgemini Suisse S.A.	Fellow subsidiary	Thesys Technologies Middle East FZE	Fellow subsidiary
		Transiciel International Ltd.	Fellow subsidiary

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Related party transactions

	31 March 2016	31 March 2015
a) Revenues from operations		
IGATE Technologies Inc.,	15,857	15,296
IGATE Computer Systems (UK) Limited	2,874	2,784
IGATE Technologies Canada Inc.,	2,870	2,537
Others	63,944	441
b) Expense incurred by the Company on behalf of		
Capgemini Service S.A.S.	128	-
IGATE Technologies Inc.,	159	289
CHCS Services Inc.,	68	38
IGATE Computer Systems (UK) Limited	59	62
Others	175	38
c) Expenses cross charged		
IGATE Technologies Inc.,	1,051	1,885
Capgemini Services S.A.S.	747	-
IGATE Corporation	112	485
IGATE Computer Systems (UK) Limited	403	371
IGATE Technologies Inc., Canada	99	328
Others	1,383	205
d) Loans given/(repaid) during the year		
IGATE Infrastructure Management Services Limited	31	30
IGATE Technologies Canada Inc.,	(27)	(54)
IGATE Computer Systems (UK) Limited	(17)	(11)
IGATE Technologies Inc.,	(6)	5
Others	-	(8)
e) Investment sold during the year		
Patni Computer Systems GmbH	-	189
f) Shares repurchased		
PAN-Asia IGATE Solutions	-	6,473
Capgemini Financial Services International Inc.	303	-
Kanbay (Asia) Limited	13,195	-
g) Share capital pending allotment		
Capgemini US LLC	56,017	-
Capgemini SA	15,938	-
IGATE Technologies Inc.,	-	6
Others (amount below rounding off)	0	-
h) Remuneration		
Key Management Personnel	364	47
i) Employee stock compensation expense		
Key Management Personnel	185	46

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Balances outstanding

	31 March 2016	31 March 2015
a) Trade receivables		
IGATE Technologies Inc.,	1,333	2,771
IGATE Computer Systems (UK) Limited	1,428	950
IGATE Technologies Canada Inc.,	1,000	564
Others	8,631	290
b) Short term loans and advances		
IGATE Technologies Inc.,	-	6
IGATE Technologies Canada Inc.,	-	27
IGATE Computer Systems (UK) Limited	-	17
IGATE Infrastructure Management Services Limited	10	3
c) Trade payables		
IGATE Corporation	673	54
Capgemini Service S.A.S.	346	-
IGATE Technologies Inc.,	273	190
IGATE Computer Systems (UK) Limited	151	92
IGATE Technologies Canada Inc.,	6	71
Others	624	50
d) Long term loans and advances		
IGATE Infrastructure Management Services Limited	85	61
e) Prepaid expense		
Capgemini Universite S.A.S.	52	-
Capgemini Service S.A.S	7	-
Others	2	-
f) Unbilled revenue		
Capgemini UK PLC	641	-
Capgemini Outsourcing Services SAS	448	-
Others	1,388	-
g) Unearned Revenue		
Capgemini UK Plc	88	-
Capgemini America Inc	85	-
Capgemini Outsourcing Services SAS	62	-
Others	179	-

38 Leases

(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:

	31 March 2016	31 March 2015
Total minimum lease payments at the year end	91	105
Less: amounts representing finance charges	19	21
Present value of minimum lease payments	72	84
Minimum lease payments:		
Within one year [Present value of Rs 24 (31 March 2015 Rs 24)]	35	36
After one year but not more than five years [Present value of Rs 48 (31 March 2015 Rs 60)]	56	69
	91	105

(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

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

renewable by mutual agreement. There are no restrictions imposed by these lease arrangements. Vehicles taken on operating lease have been entered up to a maximum of 3 years from the date of inception.

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

	31 March 2016	31 March 2015
i) Lease payments (including Service Charges) recognised in the Statement of Profit and Loss	3,161	670
ii) Total Future minimum lease payments under the non - cancellable operating leases :		
Within one year	2,498	541
Later than one year but not more than five years	5,496	1,519
Later than five years	1,167	264
	<u>9,161</u>	<u>2,324</u>

39 Earnings per share (EPS)

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

	31 March 2016	31 March 2015
(A) (Loss) / profit after tax attributable to equity shareholders	(76)	5,432
(B) Weighted average number of equity shares in calculating basic EPS (nos.)	59,139,500	28,166,828
(C) Weighted average number of equity shares in calculating diluted EPS (nos.)	59,139,500	28,166,828
Basic Earning per share of face value of Rs.10/- each (A/B) *	(1.29)	192.85
Diluted Earning per share of face value of Rs.10/- each (A/C)	(1.29)	192.85

*includes 32,011,266 shares (31 March 2015 566,758) equity shares of Rs. 10 each, pending allotment (refer note 5)

40 Derivative instruments and unhedged foreign currency exposure

The Company has designated its foreign currency derivative instruments as cash flow hedges and fair value hedges since they meet the hedging criteria. Derivatives outstanding as at the balance sheet date including the hedge of expected future revenue are as given below:

Particulars

Forward contracts outstanding at the balance sheet date

Sell Covers	31 March 2016		31 March 2015	
	Amount in millions (respective Currency)	Rs. in millions	Amount in millions (respective Currency)	Rs. in millions
USD/INR	62	4,063	200	12,519
CAD/INR	3	158	29	1,420
CAD/USD	-	-	4	171
AUD/INR	4	194	1	38
CHF/INR	1	52	12	782
CHF/USD	-	-	2	109
EUR/INR	-	-	1	27
GBP/INR	7	708	19	1,714
GBP/USD	-	-	1	46
JPY/INR	51	30	368	192
JPY/USD	163	96	250	130
OMR/INR	1	88	-	-
		<u>5,389</u>		<u>17,148</u>

MTM gain aggregating to Rs. 57 (Previous year Rs. 505) has been included in Hedging Reserve under Shareholders' Funds and MTM gain aggregating to Rs. 663 (Previous year Rs. 1,148) has been recognised in the Statement of Profit and Loss.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Unhedged foreign currency exposures as on 31 March 2016

Particulars	Cash and cash equivalents	Trade receivables	Loans and advances	Other assets	Trade Payables	Short term borrowings	Other liabilities
USD	377	540	3	7	125	-	-
EUR	30	34	-	-	558	-	-
SGD	-	-	-	-	1	-	-
JPY	127	532	(14)	99	570	-	23
GBP	12	11	-	-	80	-	-
CAD	11	5	1	-	5	-	-
AUD	4	1	-	-	1	-	1
MYR	5	1	2	1	1	-	-
CHF	6	3	1	2	3	-	2
SEK	3	16	-	-	16	-	2
CNY	-	-	-	-	1	-	-
DKK	-	-	-	-	4	-	-
MXN	-	-	-	-	3	-	-
AED	2	(6)	-	-	72	-	-
ZAR	-	-	-	-	-	-	-
PLN	-	-	-	-	1	-	-
HKD	-	-	-	-	0	-	-
OMR	-	171	-	-	-	-	-
HUF	-	5	-	-	20	-	-

Unhedged foreign currency exposures as on 31 March 2015

Particulars	Cash and cash equivalents	Trade receivables	Loans and advances	Other assets	Trade Payables	Short term borrowings	Other liabilities
USD	5	72	2	-	8	52	-
EUR	3	4	-	-	2	-	-
SGD	-	-	-	-	-	-	-
JPY	116	955	20	37	194	-	64
GBP	-	13	-	-	4	-	-
CAD	9	15	2	1	7	-	-
AUD	3	2	1	-	2	-	-
MYR	4	1	1	1	-	-	-
CHF	4	4	1	1	4	-	1
SEK	7	25	-	-	4	-	2
CNY	-	1	-	-	-	-	-
DKK	-	3	-	-	3	-	-
MXN	-	3	-	-	-	-	-
AED	1	-	-	-	1	-	-
ZAR	2	1	-	-	1	-	-
HUF	-	-	-	-	67	-	-

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

41 Capital commitments and contingent liabilities

	31 March 2016	31 March 2015
(a) Capital Commitments		
Estimated value of contracts on capital account remaining to be executed (net of advances Rs. 155, Previous year Rs. 444)	1,086	1,421
(b) Contingent liabilities		
The Company has analysed various ongoing litigations with the statutory authorities and concluded that the likelihood of an outflow of resources to settle litigations is remote. Accordingly, these litigations have not been disclosed as contingent liabilities.		

42 Auditors' remuneration

	31 March 2016	31 March 2015
Statutory audit (including consolidated financial statements)	16	5
Tax audit	3	1
Other services	1	4
Out of pocket expenses	1	-
	<u>21</u>	<u>10</u>

43 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

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 2016 has been made in the financial statements based on the information received and available with the Company.

	31 March 2016	31 March 2015
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	10	-
- Interest	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	113	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	20	-
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	7	-
The above information has been given in respect of such vendors to the extent they could be identified as Micro, Small and Medium enterprises on the basis of information available with the Company.		

44 Transactions in foreign currency (accrual basis)

	31 March 2016	31 March 2015
a) Foreign currency earnings		
Revenue from software services	96,818	32,996
Other income	405	161
	<u>97,223</u>	<u>33,157</u>
b) Value of imports calculated on CIF (cost, insurance and freight) basis		
Capital goods	1,331	764
Software consumables	5	6
	<u>1,336</u>	<u>770</u>

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

	31 March 2016	31 March 2015
c) Expenditure in foreign currency		
Employee benefits expense	2,418	2,169
Other expenses		
Sub-contracting expenses	2,030	2,696
Power, fuel and utilities	2	2
Rent	69	58
Rates and taxes	14	23
Insurance	32	9
Repairs and maintenance	340	20
Computer maintenance	377	37
Software and hardware expenses	77	47
Advertisement and sales promotion	11	27
Travel and conveyance	1,072	115
Communication costs	84	58
Recruitment and training	357	21
Legal and professional fees	179	97
Outside consultancy charges	529	442
Bank charges	12	4
Group management fees	451	-
Miscellaneous expenses	101	58
Finance costs	8	28
	8,163	5,911

45 Employee stock compensation plans

- (i) The employees of the Company are entitled to participate in share based awards issued by IGATE Corporation the ultimate holding company till 30 June 2015. Costs pertaining to share based awards issued to the Company's employee are cross charged by the ultimate holding company. Such expenses are accounted for as part of employee benefits and the liability to the ultimate holding company is settled in cash.

Pursuant to the acquisition of IGATE Corporation by Capgemini S.A., the Company's employees are now entitled to participate in share based awards issued by Capgemini S.A., the ultimate holding company with effect from 1 July 2015. Although the share based awards are issued and administered by Capgemini S.A., the Company is required to settle the obligation to the employee directly in cash.

Particulars	2006 Plan	
	31 March 2016	31 March 2015
Details of meeting	25-May-06	25-May-06
Maximum number of shares to be granted	14.7 million shares	14.7 million shares
Grant date	NA	NA
Performance assessment dates	NA	NA
Vesting period	4 years as from the grant date	4 years as from the grant date
Mandatory lock-in period effective as from the vesting date	NA	NA
Total number of options granted	Nil	526,000
Options vested	4,500	13,751
Options exercised	108,035	56,056

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Particulars	2006 Plan	
	31 March 2016	31 March 2015
Options forfeited or canceled during the year	11,000	104,460
Options Unexercised	NA	NA
Options lapsed	Nil	Nil
Total number of options in force	814,749	933,784
Variation in terms of ESOP	NA	NA
Total number of shares arising as a result of exercise of Options	108,035	56,056
Exercise price	\$15.49	\$14.21
Weight average remaining contractual life (In year)	NA	8.36
Awards granted	Nil	Nil
Awards released	334,290	80,530
Awards forfeited or canceled during the year	9,000	55,350
Total number of Awards in force	366,850	710,140
<u>Performance share based awards (included above):</u>		
Awards granted	Nil	Nil
Awards forfeited or canceled during the year	8,000	47,200
Awards lapsed	-	1,48,000
Awards released	Nil	Nil
Total number of options in force	37,118	45,118
Fair values with performance conditions		
External (Euro)	NA	NA
Internal (Euro)	NA	NA
% of external	NA	NA
% of internal	NA	NA
Money realised by exercise of Options	NA	NA
Other conditions:		
In employment within the Group at the vesting date	Yes	Yes
Valuation model used to calculate the fair value of options	- Monte Carlo for performance shares with external (market) conditions	- Monte Carlo for performance shares with external (market) conditions
	- Black & Scholes for shares granted without conditions or with internal performance conditions	- Black & Scholes for shares granted without conditions or with internal performance conditions
Fair Valuation cost	2,917	485

The Company has used fair value method for accounting of the above employee stock options.

- (ii) Capgemini SA, the ultimate holding company has approved allocation of performance shares of Capgemini SA to the employees of Capgemini India Private Limited (transferor company) and its French and non French subsidiaries, employees. These shares have been allocated to the employees under three plans as detailed below. The grant of the above performance and employment linked shares relate to the share capital of the holding company and shall have no impact on the share capital of the subsidiary companies whose employees are also entitled to the share allocation.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Valuation was done by the parent company using the below mentioned assumptions. The status of the plans pursuant to amalgamation have been summarised below -

Particulars	2012 Plan 31-Mar-16	2013 Plan 31-Mar-16	2014 Plan 31-Mar-16
Details of the Meeting	General Shareholder's Meeting (24 May 2012)	General Shareholder's Meeting (24 May 2012)	General Shareholder's Meeting (24 May 2013)
Maximum number of shares to be granted	1.5% of the share capital of the ultimate holding company on the date of the Board of Directors' decision i.e. a maximum of 2,426,555 shares	1.5% of the share capital of the ultimate holding company on the date of the Board of Directors' decision i.e. a maximum of 2,426,555 shares	1% of the share capital of the ultimate holding company on the date of the Board of Directors' decision i.e. a maximum of 1,590,639 shares
Grant date	12-Dec-12	20-Feb-13	30-Jul-14
Performance assessment dates	At the end of the first and second calendar years following the grant date	At the end of the first and second calendar years following the grant date	Three years for the internal performance condition and two years for the external performance condition
Vesting period	4 years and 1/2 month as from the grant date	4 years and 1 week as from the grant date	4 years as from the grant date
Mandatory lock-in period effective as from the vesting date	NA	NA	NA
Total number of shares granted taken over pursuant to amalgamation	42,000	44,600	86,000
Options vested	NA	NA	NA
Options exercised	NA	NA	NA
Options forfeited or canceled during the year	4,000	4,300	4,000
Options Unexercised	NA	NA	NA
Options lapsed	NA	NA	NA
Total number of options in force	38,000	40,300	82,000
Variation in terms of ESOP	NA	NA	NA
Total number of shares arising as a result of exercise of Options	-	-	-
Exercise price	-	-	-
Weight average remaining contractual life (In year)	0.7	0.9	2.3
Fair values with performance conditions			
External (Euro)	19.18	21.55	33.46
Internal (Euro)	28.67	32.14	48.26
% of external	50%	50%	50%
% of internal	50%	50%	50%

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Particulars	2012 Plan 31-Mar-16	2013 Plan 31-Mar-16	2014 Plan 31-Mar-16
Money realised by exercise of Options	NA	NA	NA
Main market conditions at the grant date:			
Volatility	25.80%	38.70%	26.33%
Risk-free interest rate	0.35% - 0.98%	0.59% - 1.28%	0.34% - 0.81%
Expected dividend rate	3.00%	3.00%	2.31%
Other conditions:			
In employment within the Group at the vesting date	Yes	Yes	Yes
Valuation model used to calculate the fair value of options	- Monte Carlo for performance shares with external (market) conditions	- Monte Carlo for performance shares with external (market) conditions	- Monte Carlo for performance shares with external (market) conditions
Range of fair values in euros			
Free shares (per share and in euros)	NA	NA	NA
Performance shares (per share and in euros)	14.35 - 28.67	16.18 - 32.14	26.46 - 48.26
Share price at the grant date (in euros)	33.15	36.53	53.35
Fair Valuation cost	18	21	46

The Company has used fair value method for accounting of the above employee stock options.

46 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 254. The total expenditure incurred on 'Corporate Social Responsibility Activities' for the current year is Rs. 150 (Previous year Rs. 36)

Amount spent during the year on:

Particulars	In cash	Yet to be paid	Total
(i) Construction/acquisition of any assets	-	-	-
(ii) CSR Programs	145	-	145
(iii) Other expenses allowed under CSR (FY 14-15)	5	-	5
Total	150	-	150

47 Overdue receivables for export services

As on 31 March 2016, the Company has receivables from group companies amounting to Rs. 221 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 has already filed for extension of time for collecting the dues of Rs. 195 till 31 December 2016 with authorised dealer and is awaiting confirmation and the balance of Rs. 26 has been realised subsequent to the year end.

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

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 2016 (including loan given in the previous years)

Name of entity	"As on 31 March 2016"	Purpose	Loan repayment terms	Rate of interest
IGATE Infrastructure Management Services Limited	95	Business purpose	Repayment to be made within 1095 days	10% p.a.

Details for financial year ended 31 March 2016

Name of entity	Opening balance	Loan repaid	Loan given	Closing balance
IGATE Infrastructure Management Services Limited	64	0	31	95

Details for financial year ended 31 March 2015

	Opening balance	Loan repaid	Loan given	Closing balance
IGATE Infrastructure Management Services Limited	34	0	30	64

49 Interest in joint ventures

Capgemini India Private Limited (amalgamated with IGATE Global Solutions Limited effective 1 April 2015) holds a joint venture in Thesys Technologies LLC. Pursuant to the requirement of Sec 129(3) of the Companies Act, 2013, the table below summarises the salient features of the financial statements of the joint venture.

Thesys Technologies LLC 31 March 2016

Country of incorporation	UAE
Ownership Interest	49%
The Company's share of the assets and liabilities -	
Equity and liabilities	
Share Capital	2
Reserves and Surplus	5
Current Liabilities	8
	<u>15</u>
Assets	
Non Current Assets	-
Current Assets	15
	<u>15</u>
The Company's share of the income and expenses -	
Revenue	39
Less : Expenses	97
Loss before tax	<u>(58)</u>
Less : Tax Expense	-
Loss after tax	<u>(58)</u>

Notes to financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

50 Managerial remuneration

During the year ended 31 March 2016, the Company paid remuneration amounting to Rs. 291 to its whole-time director, Mr. Sujit Sircar. Such amounts paid are in excess of the limits specified in section 197 of Companies Act, 2013 ('the Act') and Schedule V of the Act. The Company is in the process of making an application to the Central Government and convening meetings of the Board of Directors and shareholders of the Company to ratify such excess remuneration paid aggregating to Rs.221.

51 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 2016). 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.

52 Previous year reclassification

The financial statements for the previous year ended 31 March 2015 were audited by a firm of chartered accountants other than B S R & Co. LLP. The following regroupings / reclassifications have been made to the comparatives amounts for the previous year ended 31 March 2015

Particulars	Amount
Reclassification of provision for current tax (net of advance tax) from long-term provisions to short-term provisions	340
Reclassification of provision for current tax (net of advance tax) from long-term provisions to advance tax (net of current tax)	193
Reclassification of liabilities towards employee benefits from trade payables to other current liabilities	464
Reclassification of advance tax recoverable (net of provision for tax) from short-term loans and advances to long- term loans and advances	345
Reclassification of billing in advance from trade receivables to other current liabilities	96
Provision for volume discount disclosed under short-term provisions now adjusted against trade receivables	265

53 In view of the scheme of amalgamation as referred to in notes 31 to 34 above, which has been given effect to in these financial statements effective 01 April 2015, previous year's figures representing amounts for the year ended 31 March 2015 of the Company are on a standalone basis and hence are strictly not comparable with the current year figures.

Signatures to Note 1 to 53 form an integral part of the 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 : November 23, 2016

For and on behalf of the Board of Directors of
IGATE Global Solutions Limited
CIN - U85110PN1993PLC145950

Sujit Sircar
Director
DIN - 00026417
Mukund Srinath
Company Secretary

Place : Mumbai
Date : November 23, 2016

R. Ramaswamy
Director
DIN - 00038146
Nagesh Kumar M
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Members of IGATE Global Solutions Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of IGATE Global Solutions Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Group"), comprising of the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance 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 Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective 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 of the assets of the Group 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 the 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 Directors of the Holding Company, as aforesaid.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's for preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for qualified opinion

As explained in note 33 to the consolidated financial statements, for the year ended 31 March 2016, the Company has paid managerial remuneration amounting to Rs. 291 million to a whole-time director. The amount paid is in excess of the limits specified under section 197 and Schedule V of the Act. The Company is in the process of making an application to the Central Government and convening meetings of the Board of Directors and shareholders of the Company to ratify such excess remuneration paid.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the 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 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other matter

The consolidated financial statements of the Group for the year ended 31 March 2015 were audited by another auditor who expressed an unmodified opinion on those statements on 16 November 2015.

Report on other legal and regulatory requirements

As required by Section 143(3) of the Act, 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) except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, 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;
- c) the consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement 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) except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary incorporated in India, none of the Directors of the Holding Company and the subsidiary incorporated in India is disqualified as on 31 March 2016 from being appointed as a Director of that company in terms of Section 164(2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A" and
- g) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer note 40 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, if any, on long term contracts including derivatives contracts. Refer note 39 to the consolidated financial statements; and
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Vijay Mathur

Partner

Membership No: 046476

Mumbai

23 November 2016

Annexure - A to the Independent Auditors' Report

of even date on the consolidated financial statements of IGATE Global Solutions Limited ("the Company")

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of IGATE Global Solutions Limited ("Holding Company") and its subsidiary company, which is a company incorporated in India, as of that date.

Management's responsibility for internal financial controls

The respective Board of Directors of the Holding Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary company incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Act.

Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the 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 system over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial 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. A company's internal financial control over financial reporting 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 over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting 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 ICAI.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Vijay Mathur

Partner

Membership No: 046476

Mumbai

23 November 2016

Consolidated Balance Sheet as at 31 March 2016

(Currency : INR in millions)

	Notes	As at 31 March 2016	As at 31 March 2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	271	266
Reserves and surplus	4	26,502	26,654
		26,773	26,920
Share capital to be issued pursuant to amalgamation	5	71,955	6
		71,955	6
Non-current liabilities			
Long-term borrowings	6	48	60
Other long-term liabilities	7	556	103
Long-term provisions	8	3,951	359
		4,555	522
Current liabilities			
Short-term borrowings	9	-	3,250
Trade payables			
- Due to micro and small enterprises	10	30	-
- Due to other than micro and small enterprises	10	5,696	1,261
Other current liabilities	11	8,950	1,715
Short-term provisions	8	2,270	845
		16,946	7,701
TOTAL		1,20,229	34,519
Assets			
Non-current assets			
Fixed assets			
Tangible assets	12	26,003	11,425
Intangible assets	13	38,300	127
Capital work-in-progress	14	993	2,633
Deferred tax assets (net)	15	2,543	226
Long-term loans and advances	16	9,905	5,765
Other non-current assets	17	2	3
		77,746	20,179
Current assets			
Current investments	18	6,257	3,609
Trade receivables	19	16,168	6,386
Cash and bank balances	20	11,835	2,531
Short-term loans and advances	16	2,595	802
Other current assets	21	5,628	1,012
		42,483	14,340
TOTAL		120,229	34,519
Significant accounting policies	2		

The notes referred to above form an integral part of the 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 : November 23, 2016

For and on behalf of the Board of Directors of
IGATE Global Solutions Limited
CIN - U85110PN1993PLC145950

Sujit Sircar
Director
DIN - 00026417

Mukund Srinath
Company Secretary

Place : Mumbai
Date : November 23, 2016

R. Ramaswamy
Director
DIN - 00038146

Nagesh Kumar M
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended 31 March 2016

(Currency : INR in millions)

	Notes	Year ended 31 March 2016	Year ended 31 March 2015
Revenue			
Revenue from operations	22	108,960	34,391
Other income	23	2,230	1,802
Total revenue		111,190	36,193
Expenses			
Employee benefits expense	24	73,479	20,313
Finance costs	25	42	91
Depreciation on tangible assets	26	3,824	1,236
Amortisation of intangible assets	26	9,802	185
Other expenses	27	22,614	7,967
Total expenses		109,761	29,792
Profit before taxation		1,429	6,401
Tax expenses			
Current tax			
- current year		622	1,479
- earlier years		(2)	(702)
Minimum alternate tax ('MAT') credit			
- current year (includes MAT credit for earlier years Rs. 152 million)		(448)	-
- MAT credit entitlement written-off		1,506	-
Deferred tax (credit) / charge		(313)	131
Profit for the year		64	5,493
Earnings per equity share			
Nominal value of share of Rs.10 (31 March 2015: Rs.10)			
Basic and diluted	38	1.08	195.02
Significant accounting policies	2		

The notes referred to above form an integral part of the 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 : November 23, 2016

For and on behalf of the Board of Directors of
IGATE Global Solutions Limited
CIN - U85110PN1993PLC145950

Sujit Sircar
Director
DIN - 00026417

Mukund Srinath
Company Secretary

Place : Mumbai
Date : November 23, 2016

R. Ramaswamy
Director
DIN - 00038146

Nagesh Kumar M
Chief Financial Officer

Consolidated Cash flow statement for the year ended 31 March 2016

(Currency : INR in millions)

	As at 31 March 2016	As at 31 March 2015
Cash flows from operating activities		
Profit before tax	1,429	6,401
Adjustments to reconcile profit before tax to net cash flows		
Depreciation	3,824	1,236
Amortization	9,802	185
Bad debts written back, including provision	28	55
Profit on sale of fixed assets, net	(32)	(14)
Net gain on sale of current investments	(275)	(474)
Liabilities no longer required write back	(63)	(9)
Provisions no longer required write back	-	(25)
Unrealised foreign exchange	(169)	151
Provision for doubtful receivables	84	-
Provision for/ (write back of) contingencies	16	-
Provision for doubtful deposits	16	-
Liabilities no longer required written back	-	-
Interest expense	42	67
Interest income on bank deposits	(902)	(2)
Interest income on others	(20)	(54)
Employee stock compensation expense (ESOP)	85	-
Operating profit before working capital changes	13,865	7,517
Movements in working capital:		
Increase / (Decrease) in trade payables	2,072	(2,173)
Increase / (Decrease) in liabilities and provisions	4,033	(233)
Decrease in trade receivables	3	868
(Increase) / Decrease in short-term loans and advances	(504)	1,068
(Increase) / Decrease in long-term loans and advances	185	(1,491)
(Increase) / Decrease in other current assets	(1,338)	659
Decrease in other non-current assets	2	1
Cash generated from operations	18,318	6,216
Direct taxes paid (net of refunds)	(4,021)	(1,202)
Net cash flows from operating activities (A)	14,297	5,014
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(5,689)	(5,199)
Proceeds from sale of fixed assets	124	18
Investments in bank deposits (having original maturity of more than 12 months)	-	(2)
Purchase of current investments	(30,224)	(30,251)
Proceeds from sale of current investments	27,852	36,731
Interest received on bank deposits	959	2
Net cash flows (generated from) / used in investing activities (B)	(6,979)	1,299
Cash flows from financing activities		
Repayment of short-term borrowings	(7,217)	(6,423)
Proceeds from short-term borrowings	3,967	6,417
Payment towards repurchase of equity shares	(13,499)	(6,493)
Repayment towards capital leases	(44)	(40)
Interest paid	(30)	(29)
Net cash flows from / (used in) financing activities (C)	(16,823)	(6,568)

Consolidated Cash flow statement for the year ended 31 March 2016 *(Contd.)*

(Currency : INR in millions)

	As at 31 March 2016	As at 31 March 2015
Net decrease in cash and cash equivalents during the year (A+B+C)	(9,505)	(255)
Effect of exchange differences on cash and cash equivalents held in foreign currency	43	(320)
Cash and cash equivalents at the beginning of the year	2,531	3,046
Add: cash and cash equivalents acquired on amalgamation of CIPL (refer note 33)	18,766	60
Cash and cash equivalents at the end of the year	11,835	2,531
Summary of significant accounting policies	2	
1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 "Cash Flow Statements", prescribed in the Companies (Accounting Standard) Rules, 2006, which continue to apply under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.		
2) Reconciliation of cash and cash equivalents:		
(i) Cash and cash equivalents		
Cash on hand	-	-
Cheque/drafts on hand	5	-
Remittance in transit	132	220
Balances with banks:		
- in current accounts	2,819	2,063
- in EEFC account	572	234
- in unpaid dividend account	2	2
- in deposits with original maturity of less than 3 months	3,250	-
(ii) Other bank balances		
Bank deposits due to mature within 12 months of the reporting date*	5,055	12
	11,835	2,531
*The deposits maintained by the Company with banks and financial institutions comprise time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal except for restricted deposits. Accordingly, these are considered to be cash and cash equivalents as defined in AS - 3.		
3) Purchase of fixed assets include payments made for assets classified as acapital work in progress and advances made for purchase of fixed assets.		
4) Figures in brackets represent outflow of cash and cash equivalents.		
5) Previous years figures have been regrouped, wherever necessary to conform to the current years classification.		

The notes referred to above form an integral part of the 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 : November 23, 2016

For and on behalf of the Board of Directors of
IGATE Global Solutions Limited
CIN - U85110PN1993PLC145950

Sujit Sircar
Director
DIN - 00026417
Mukund Srinath
Company Secretary

Place : Mumbai
Date : November 23, 2016

R. Ramaswamy
Director
DIN - 00038146
Nagesh Kumar M
Chief Financial Officer

Notes to consolidated financial statements for the year ended 31 March 2016

(Currency : INR in millions)

1 Corporate overview

IGATE Global Solutions Limited ("IGS") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. IGS and its subsidiaries ('the Company') are 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 United States, Canada, Japan, Singapore, Australia, Sweden, Switzerland, United Kingdom, Belgium, France, Finland, Germany, Mexico and Netherlands. IT services and IT-enabled operations offshore outsourcing solutions are delivered using the offshore centers located in Bangalore, Hyderabad, Chennai, Noida, Mumbai, Pune and Gandhinagar in India. On 04 September 2015, the Company received a High court order for merger of IGATE Information Services Private Limited with IGS.

Capgemini North America, Inc., a subsidiary of Capgemini SA (ultimate holding company w.e.f July 2015) along with its wholly owned subsidiary, Laporte Merger Sub, Inc, acquired IGATE Corporation (erstwhile ultimate holding company) in July 2015. Pursuant to the global acquisition of IGATE group, the Board of Directors of Capgemini India Private Limited (CIPL) have approved the merger of CIPL with the Company. Consequently, CIPL has filed a scheme of merger with the Bombay High court on 3 February 2016 under sections 391 to 394 of The Companies Act, 1956, whereby the entire business and undertaking of CIPL will be transferred to the Company (refer notes 29 to 32 for further details regarding scheme of amalgamation).

2 Summary of significant accounting policies

a) Basis of preparation

The consolidated financial statements of the Company are prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on the accrual basis except for some financial instruments which are measured at fair value. Indian GAAP comprises Accounting Standards ('AS') specified under section 133 of the Companies Act, 2013 ("The 2013 Act") read with Rule 7 of the Companies (Accounts) Rules, 2014; and the relevant provisions of the 2013 Act/ Companies Act, 1956, ("the 1956 Act"), Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India.

All amounts included in the consolidated financial statements are reported in millions of Indian rupees (Rs. in millions) except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the consolidated financial statements may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

The consolidated financial statements have been prepared on the following basis:

- The consolidated financial statements include the financial statements of IGS and all its subsidiaries, which are more than 50% owned or 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 unrealized gain/loss.
- Joint venture arrangements where the Company has joint control are accounted for on the basis of proportionate consolidation

The excess of the cost to the parent of its investment 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.

The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

b) Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make judgments, 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 consolidated 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 projects, provision for taxes, employee benefit plans, provision for doubtful debts and advances and estimated useful life of fixed assets. 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.

c) 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;

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

- c. It is expected to be realised within 12 months after the reporting date; or
- d. It is cash or cash equivalents 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 months time is considered as the operating cycle.

d) Tangible fixed assets

Fixed assets 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. Trade discounts and rebates, if any, are deducted while computing the cost.

Tangible fixed assets acquired wholly or partly with specific grant / subsidy from a government authority are recorded at the fair value as on the agreement date.

Subsequent expenditure related to an item of fixed asset 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 fixed assets, including day-to-day repairs and maintenance expenditure and cost of replacing parts, are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss when the asset is disposed.

The cost of fixed assets not ready for use before the balance sheet date is disclosed as capital work-in-progress. Advances paid towards the acquisition of fixed assets outstanding as at balance sheet date is disclosed under long term loans and advances.

e) Depreciation on tangible fixed assets

The Company has provided for depreciation using the straight line method over the useful life of the assets as prescribed under Part C of schedule II of the Companies Act, 2013 except in the case of following assets which are depreciated based on the useful lives estimated by management. Pursuant to a change in business strategy and macro-economic, the Company has revised its estimate of useful life for fixed assets capitalized on or after 1 January 2016.

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

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Assets acquired by the Company pursuant to amalgamation of Capgemini India Private Limited (including Pune Software Park Private Limited and Capgemini Business Services (India) Private Limited have useful lives as mentioned below:

Gross block	Useful Life
Leasehold Land	Over the lease period
Buildings*	30 years
Leasehold improvements	Over the lease period
Computers*	3-5 years
Furniture and fixtures*	7 years
Office equipment	7 years
Vehicles*	5 years

* For these classes of assets, based on internal assessment and independent technical evaluation carried out by external valuer's, 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.

Leasehold land and lease hold improvements are depreciated over the primary lease period or estimated useful life, whichever is lower, on a straight line basis.

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

Individual assets costing Rs 5,000 or less are depreciated in full, in the year of purchase.

Assets retired from active use and held for disposal are stated at the lower of their net book value and net realizable value and shown under 'Other current assets'. A fixed asset is eliminated from the consolidated 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 fixed assets which are carried at cost are recognised in the consolidated statement of profit and loss.

f) Intangible assets

(i) Acquired intangible assets

Intangible assets acquired separately are initially recognized at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization 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 derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss when the asset is derecognized.

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

(ii) 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.

g) Leases

Leases of assets where the Company assumes substantially all the risks and rewards incidental to ownership of the leased item, are classified as finance lease and capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit.

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

h) Government grants and subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/subsidy will be received and all relevant conditions will be complied with.

Where a grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset. Government grants in the form of non-monetary assets are accounted at their acquisition cost and are added to the value of concerned assets. Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

i) Impairment of tangible and intangible assets

Intangible assets which are not yet available for use are tested for impairment annually. Other fixed assets (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 intangible assets 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 recognized in the consolidated 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 consolidated 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.

j) 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.

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 the consolidated 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 consolidated 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 consolidated statement of profit and loss.

k) Revenue recognition

The Company primarily derives revenue from rendering IT, IT related services and business process outsourcing services. The Company recognises revenue when the significant terms of the engagement are enforceable, services have been delivered and the collectability is reasonably assured. Reimbursements of out of pocket expenses received from customers have been included as a component of revenues. The method of recognising revenue depends on the nature of services rendered.

(i) Time and material contracts

Revenues from time and material contracts is recognized as the related services are rendered.

(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

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

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 recognised only to the extent contract costs incurred, for which recoverability is probable. Any anticipated losses expected upon contract completion are recognized immediately.

(iii) **Unbilled revenue**

Unbilled revenue represents cost and earnings in excess of billings as at the end of the reporting period. Billing in advance represents billings in excess of revenue recognised. Advance payments received from customers for which no services have been rendered are disclosed as 'Advances from customers'.

(iv) **Others**

Revenue from contracts with amounts to be billed on monthly basis is recognized as the related services are rendered. Revenue from transaction-priced contracts is recognized on rendering of the services as per the terms of the contracts.

Revenue from services rendered to the holding company, ultimate holding company and fellow subsidiaries is recognised on a cost plus mark-up basis as and when the related services are rendered.

Revenue from maintenance contracts is recognised relatively over the period of the contract using the percentage of completion (output) method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognised on a straight line basis over the specified period unless some other method better represents the stage of completion.

The Company estimates and accounts for volume discounts and other pricing incentives to the customers by reducing the revenue recognised at the time of sale.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under "other income" in the statement of profit and loss.

Dividend income

Revenue is recognised when the Company's right to receive payment is established at the balance sheet date.

l) Foreign currency transactions and balances

i) **Initial recognition**

The Company is exposed to foreign currency transactions including foreign currency revenues, receivables, expenses, payables and borrowings. 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 recognized in the consolidated statement of profit and loss for the year.

ii) **Translation**

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the exchange rates on that date, the resultant exchange differences are recognized in the consolidated statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate on the date of the transaction.

iii) **Translation of integral and non-integral foreign operations**

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation are those of IGS itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss is translated at exchange rates prevailing on the dates of the transactions or weighted average weekly rates, where such rates approximate the exchange rate on the date of the transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the consolidated statement of profit and loss.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

m) 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.

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

ii) **Post-employment benefits**

(i) **Defined contribution plan**

Provident fund

Employee benefits in respect of Provident fund except as stated below, is a defined contribution plan.

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to a Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the consolidated statement of profit and loss during the period in which the employee renders the related service.

(ii) **Defined benefit plan**

Provided fund

Eligible employees of erstwhile Capgemini India Private Limited, receive benefits from a provident fund, which is a defined benefit plan and is administered by a Trust managed by the company. The Company's interest liability is actuarially determined (using the Projected Accrued Benefit Method) at the end of the year. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The Company's contribution and such shortfall are charged to the consolidated statement of profit and loss of the year when the contributions to the respective trusts are due. Contributions made to the Government in respect of the employee's pension scheme are charged to the consolidated statement of profit and loss in the year in which incurred.

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 at present values of estimated future cash flows. 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 immediately in the statement of profit and loss. All expenses related to defined benefit plan is recognised in employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

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 losses/gains are recognized in the consolidated statement of profit and loss in the year in which they arise.

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. As 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 immediately in the consolidated

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

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statement of profit and loss. 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.

n) Employee stock compensation

Upto 30 June 2015:

The employees of the Company were entitled to participate in share based awards issued by IGATE Corporation, the ultimate holding company till 30 June 2015. Costs pertaining to share based awards issued to the Company's employees are cross charged by the ultimate holding company. Such expenses are accounted for as part of employee benefits and the liability to the ultimate holding company is settled in cash.

With effect from 1 July 2015:

Pursuant to the acquisition of IGATE Corporation by Capgemini S.A., the ultimate holding company with effect from 1 July 2015, the Company's employees are now entitled to participate in share based awards issued by Capgemini S.A. Although the share based awards are issued and administered by Capgemini S.A., the Company is required to settle the obligation to the employee directly in cash. Such expenses are accounted for as part of employee benefits expense and the amounts payable to employees are disclosed under 'other long term liabilities' and 'other current liabilities', depending on when the payments is due to be made.

Capgemini SA, the ultimate holding company has also issued performance shares to the employees of erstwhile Capgemini India Private Limited (amalgamated 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. The Company determines the compensation cost based on fair value.

Such expenses are accounted for as part of employee benefits expense with a corresponding adjustment to employee stock option reserve, included in reserves and surplus.

o) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the consolidated statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the consolidated statement of profit and loss and disclosed as "MAT Credit Entitlement" in the consolidated balance sheet. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

p) Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. 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 period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, amalgamations, bonus element in a rights issue, 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.

q) 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.

r) 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 consolidated financial statements.

s) Cash flow statement

Cash flows are reported using the indirect method, whereby consolidated 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.

t) 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.

The Company has adopted the principles of Accounting Standard 30, Financial Instruments: Recognition and Measurement (AS 30) issued by ICAI except to the extent adoption of AS 30 does not conflict with the existing accounting standards prescribed by the Companies (Accounts) Rules, 2014 and other authoritative pronouncements.

Based on the recognition and measurement principles of hedge accounting set out in AS 30, changes in the fair values of derivative financial instruments designated as cash flow hedges are recognized directly in reserves/equity and are reclassified to the consolidated statement of profit and loss account upon occurrence of the hedged transaction. Changes

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

in the fair value related to the ineffective portion of hedges and derivatives that do not qualify for hedge accounting are recognized in the consolidated statement of profit and loss.

Hedge accounting is discontinued from the last testing date when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on such hedging instrument recognized in shareholders' funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to the consolidated statement of profit and loss for the year.

u) Amalgamation accounting

The Company treats an amalgamation in the nature of merger if it satisfies all the following criteria:

- All the assets and liabilities of the transferor company become, after amalgamation, the assets and liabilities of the transferee company.
- Shareholders holding not less than 90% of the face value of the equity shares of the transferor company (other than the equity shares already held therein, immediately before the amalgamation, by the transferee company or its subsidiaries or their nominees) become equity shareholders of the transferee Company.
- The consideration for amalgamation receivable by those equity shareholders of the transferor company who agree to become shareholders of the transferee Company is discharged by the transferee Company wholly by the issue of equity shares, except that cash may be paid in respect of any fractional shares.
- The business of the transferor company is intended to be carried on, after the amalgamation, by the transferee Company.
- The transferee Company does not intend to make any adjustment to the book values of the assets and liabilities of the transferor company, except to ensure uniformity of accounting policies.

All other amalgamations are considered to be in the nature of purchase and are accounted for accordingly.

3 Share capital

	31 March 2016	31 March 2015
Authorised shares		
80,950,000 (31 March 2015 - 80,950,000) equity shares of Rs. 10 each	810	810
10,800,000 (31 March 2015 - 10,800,000) compulsorily convertible preference shares ('CCPS') of Rs. 10 each	108	108
Issued, subscribed and fully paid up:		
27,128,234 (31 March 2015 - 26,561,476) equity shares of Rs. 10 each	271	266
Total issued, subscribed and fully paid-up share capital	271	266

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

Equity Shares	31 March 2016		31 March 2015	
	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	26,561,476	266	29,433,347	294
Add: Issued during the year (refer note 34)	566,758	5	-	-
Less: Bought back during the year	-	-	2,871,871	28
Balance as at the end of the year	27,128,234	271	26,561,476	266

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 on 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. Failure to pay any amount called up on shares may lead to forfeiture of the shares.

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 the shareholders.

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

Out of total shares issued by the Company, shares held by its holding Company, ultimate holding Company and their subsidiaries/associates are as below:

	31 March 2016		31 March 2015	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10 each, fully paid-up, held by				
PAN-Asia IGATE Solutions, Mauritius, the holding company	13,659,959	137	13,659,959	137
IGATE Inc. USA*	-	-	9,600,000	96
IGATE Corporation, USA, the ultimate holding company till 30 June 2015 and a subsidiary of the ultimate holding company, Capgemini S.A. with effect from 1 July 2015	12,664,378	127	3,064,378	31
IGATE Technologies Inc., a fellow subsidiary	566,758	6	-	-
Total	26,891,095	270	26,324,337	264

* IGATE Inc. USA merged with IGATE Corporation, USA with effect from 22 December 2015

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

	31 March 2016		31 March 2015	
	No. of shares	% of total shares in the class	No. of shares	% of total shares in the class
Equity shares of Rs. 10 each fully paid-up, held by				
PAN-Asia IGATE Solutions, Mauritius, the holding company	13,659,959	50.35%	13,659,959	51.43%
IGATE Inc. USA*	-	-	9,600,000	36.14%
IGATE Corporation, USA, the ultimate holding company till 30 June 2015 and a subsidiary of the ultimate holding Company, Capgemini S.A. with effect from 1 July 2015	12,664,378	46.68%	3,064,378	11.54%

* IGATE Inc. USA merged with IGATE Corporation, USA with effect from 22 December 2015

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:

	31 March 2016	31 March 2015
	No. of shares	No. of shares
Equity shares of Rs. 10 each bought back by the Company (see note below)	2,871,871	2,871,871
Equity shares of Rs 10 each issued pursuant to the scheme of amalgamation of IGATE Computer Systems Limited with the Company.	16,668,969	16,668,969
Equity shares of Rs. 10 each issued as consideration towards amalgamation of IGATE Information Services Private Limited (refer note 33)	566,758	-

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 million. Pursuant to the above, the Company bought back 2,871,871 equity shares and utilized Rs. 6,464 million by utilising free reserves.

Further in terms of said buy-back of equity shares, Rs. 29, being the nominal value of shares bought back, has been transferred to Capital Redemption Reserve. These shares have been extinguished and stands cancelled.

No bonus shares have been issued during a period of five years immediately preceding the reporting date (31 March 2015 : Nil)

During the current year, Capgemini India Private Limited (transferor company) bought-back 200,354 equity shares in June 2015 for an amount aggregating to Rs 13,499 (refer note 51).

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

4 Reserves and surplus

	31 March 2016	31 March 2015
Capital reserve		
Balance brought forward from previous year	1	1
Balance at the end of the year	<u>1</u>	<u>1</u>
Building revaluation reserve		
Balance brought forward from previous year	1	1
Balance at the end of the year	<u>1</u>	<u>1</u>
Capital redemption reserve		
Balance brought forward from previous year	304	275
Add: Transfer pursuant to buyback of shares (note 3(e))	-	29
Balance at the end of the year	<u>304</u>	<u>304</u>
Securities premium account		
Balance brought forward from previous year	9	2
Add: Transfer pursuant to scheme of amalgamation (refer note 32)	-	7
Balance at the end of the year	<u>9</u>	<u>9</u>
Employee stock option reserve (refer note 49)		
Balance brought forward from previous year	-	-
Add: Employee compensation expense for the year	85	-
Balance as at the end of the year	<u>85</u>	<u>-</u>
Unrealized gain/(loss) on cash flow hedges		
Balance brought forward from previous year	505	393
Add: Gain / (loss) on cash flow hedging derivatives, net	(448)	112
Balance at the end of the year	<u>57</u>	<u>505</u>
General reserve		
Balance brought forward from previous year	-	-
Add: Adjustment pursuant to Scheme of Amalgamation (refer note 29)	1	-
Balance at the end of the year	<u>1</u>	<u>-</u>
Foreign currency translation reserve		
Balance brought forward from previous year	(22)	298
Movement during the year from foreign operations	96	(320)
Balance at the end of the year	<u>74</u>	<u>(22)</u>
Surplus in the statement of profit and loss		
Balance brought forward from previous year	25,856	25,540
Add: Transfer pursuant to the amalgamation of IGATE Information Services Private Limited (refer note 32)	-	1,316
Add: Accumulated share of profits from Theysys Technologies LLC pursuant to scheme of amalgamation (refer note 47)	50	-
Less: Adjustment pursuant to buyback of shares (refer note 3(e))	-	(6,464)
Less: Transfer to capital redemption reserve towards buyback of shares (refer note 3(e))	-	(29)
Profit for the year	64	5,493
Net surplus in the statement of profit and loss	<u>25,970</u>	<u>25,856</u>
Total reserves and surplus	<u>26,502</u>	<u>26,654</u>

5 Share capital to be issued pursuant to amalgamation

	31 March 2016	31 March 2015
32,011,266 equity shares of face value of Rs.10 each to be issued at Rs. 2,247.80 per share to the erstwhile shareholders of Capgemini India Private Limited pursuant to the scheme of amalgamation was approved by the Hon'ble High Court of Judicature at Bombay on 29 September 2016 being the effective date (refer note 33) (31 March 2015: 566,758 equity shares of Rs.10 each to be issued to the erstwhile shareholders of IGATE Information Services Private Limited pursuant to the scheme of amalgamation with the Company (refer note 32))	71,955	6
	<u>71,955</u>	<u>6</u>

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

6 Long-term borrowings

	Non-current portion		Current maturities*	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Finance lease obligation (secured)	48	60	24	24
Amount disclosed under the head "other current liabilities" (refer note 11) -	-	-	(24)	(24)
Net amount	<u>48</u>	<u>60</u>	<u>-</u>	<u>-</u>

Lease obligations relate to vehicles purchased under a financing arrangement. The loans are repayable in monthly installments over a period of three to five years along with interest ranging from 9.75% to 16% p.a. (31 March 2015: 9.75% to 16% p.a.) (refer note 37).

7 Other long-term liabilities

	31 March 2016	31 March 2015
Deferred rent liability	435	103
Employee stock compensation liability	121	-
	<u>556</u>	<u>103</u>

8 Provisions

	Long-term		Short-term	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Provision for employee benefits				
Compensated absences (refer note 34(d))	2,221	274	1,104	181
Gratuity (refer note 34(a))	1,371	84	-	4
Pension (refer note 34(b)(i))	2	1	-	-
Others				
Provision for current tax (net of advance tax of Rs.8,880 (31 March 2015 Rs. 3,352) (refer note 50)	-	-	1,122	654
Provision for volume discount	-	-	-	-
Provisions for warranty	-	-	3	6
Provision for contingencies	357	-	41	-
	<u>3,951</u>	<u>359</u>	<u>2,270</u>	<u>845</u>

31 March 2016 31 March 2015

(a) Movement in provision for contingencies

Balance as at the beginning of the year	-	-
Transfer pursuant to scheme of amalgamation	381	-
Additions	17	-
Balance as at the end of the year	<u>398</u>	<u>-</u>

Provision for contingencies as at the balance sheet date primarily pertains to ongoing indirect tax litigations. The provision is based on best management's best estimate of the liability. Outflows if any, will depend on the ultimate outcome of the respective litigations.

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

9 Short-term borrowings

	31 March 2016	31 March 2015
Pre-shipment credit in foreign currency from banks (unsecured)	-	3,250
	<u>-</u>	<u>3,250</u>

The Group has entered into an arrangement with three banks for availing the unsecured facility at an annual interest rate ranging from LIBOR plus 35 to 50 basis points. The credit facility is renewable every six months. The borrowings are repayable on demand.

10 Trade payables

	31 March 2016	31 March 2015
Due to micro and small enterprises (refer note 42)	30	-
Due to other than micro and small enterprises (refer note 42)	5,696	1,261
	<u>5,726</u>	<u>1,261</u>

11 Other current liabilities

	31 March 2016	31 March 2015
Accrued salaries and benefits		
Salaries (refer note. 50)	822	164
Employee stock compensation liability	2,040	-
Bonus and incentives (refer note. 50)	2,543	306
	<u>5,405</u>	<u>470</u>
Other liabilities		
Current maturities of finance lease obligation (refer note 6)	24	24
Capital creditors	622	592
Advances received from customers	1	14
Deferred rent liability	93	2
Unclaimed dividends	2	2
Statutory dues payable	1,963	349
Billing in advance	707	106
Book overdraft	13	-
Other payables	120	156
	<u>3,545</u>	<u>1,245</u>
	<u>8,950</u>	<u>1,715</u>

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

12 Tangible Assets

	Freehold Land (refer note (b), 29)	Leasehold Land (refer note b)	Buildings (refer note b)	Computers	Office Equipment	Furniture & Fixtures (refer note a)	Leasehold Improve- ments**	Vehicles (refer note a)	Total
Gross Block									
At 1 April 2014	219	1,210	4,867	4,006	2,169	2,901	357	135	15,864
Additions pursuant to amalgamation of IGATE Information Services Private Limited (refer note 32)	-	-	18	71	39	39	46	-	214
Additions	-	-	2,483	644	1,274	1,183	65	69	5,718
Disposals	-	-	-	286	39	97	16	40	478
At 31 March 2015	219	1,210	7,368	4,435	3,443	4,026	452	164	21,318
Additions pursuant to amalgamation of Capgemini India Private Limited (Refer Note 31)	2,255	819	3,443	1,131	1,036	501	1,181	-	10,366
Additions pursuant to amalgamation of Capgemini Business Services India Private Limited (Refer Note 30)	-	-	-	34	71	109	495	-	708
Additions pursuant to amalgamation of Pune Software Park Private Limited (Refer Note 29)	-	19	90	-	-	-	-	-	109
Less: Reclassification to assets held for sale*	-	-	-	16	49	50	308	-	423
Additions	-	72	2,733	1,832	1,128	931	613	30	7,337
Less: Disposals	-	-	19	1,039	191	312	175	30	1,766
At 31 March 2016	2,474	2,120	13,615	6,376	5,438	5,204	2,258	164	37,649
Depreciation									
At 1 April 2014	-	71	945	3,385	1,703	2,485	270	65	8,924
Additions pursuant to amalgamation of IGATE Information Services Private Limited (refer note 32)	-	-	4	71	39	39	45	-	198
Charge for the year	-	10	164	435	289	277	28	33	1,236
Less: Disposals	-	-	-	285 (5)	39 (2)	97 (1)	21 5	23	465
At 31 March 2015	-	81	1,113	3,606	1,992	2,704	322	75	9,893
Less: Reclassification to assets held for sale*	-	-	-	16	33	29	289	-	367
Charge for the year	-	26	378	1,399	809	632	550	30	3,824
Less: Disposals	-	-	5	1,021	183	312	163	20	1,704
At 31 March 2016	-	107	1,486	3,968	2,585	2,995	419	85	11,646
Net block									
At 31 March 2015	219	1,129	6,255	829	1,451	1,322	130	89	11,425
At 31 March 2016	2,474	2,013	12,129	2,408	2,853	2,209	1,838	79	26,003

* As at 31 March 2016, the Group has classified certain assets as held for sale and disclosed the same under current assets. Such assets have been measured at lower of cost and net relisable value. Loss of Rs. 44 million has been recorded in the consolidated statement of profit and loss for the year ended 31 March 2016.

Includes Rs. 50 pertaining to government grants. Refer note 28.

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

**During the year, the Company has capitalised rent expense of Rs. 144 (previous year Rs. Nil) as part of the cost of fixed assets / CWIP. Consequently, the rent expense disclosed in the consolidated statement of profit and loss is net of such amounts capitalised

a) See table below for details of asset taken on finance lease included in the table above

	Furniture & Fixtures		Vehicles	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Gross block				
Opening balance	13	13	134	134
Less: Assets written off during the year	-	-	(19)	-
Closing balance	13	13	115	134
Accumulated Depreciation				
Opening balance	12	10	58	32
Add: Depreciation charge for the year	2	2	9	26
Less: Deletions during the year	-	-	(19)	-
Closing balance	13	12	48	58
Net block	-	1	67	76

b) Freehold land, leasehold land and buildings of gross block Rs. 6,703 and accumulated depreciation amounting to Rs.169 is pending registration in the name of IGATE Global Solutions Limited pursuant to amalgamation.

13 Intangible Assets

	Goodwill	Computer Software	Total
Gross block			
At 1 April 2014	178	2,508	2,686
Additions pursuant to amalgamation of IGATE Information Services Private Limited (refer note 32)	-	41	41
Additions	-	73	73
Disposals	-	13	13
At 31 March 2015	178	2,609	2,787
Additions pursuant to amalgamation of Capgemini India Private Limited (Refer Note 31)	39,612	229	39,841
Additions pursuant to amalgamation of Capgemini Business Services India Private Limited (Refer Note 30)	7,716	-	7,716
Additions	-	418	418
Disposals	-	2,196	2,196
At 31 March 2016	47,506	1,060	48,566
Amortization			
At 1 April 2014	169	2,278	2,447
Additions pursuant to amalgamation of IGATE Information Services Private Limited (refer note 32)	-	41	41
Charge for the year	-	185	185
Disposals	-	13	13
At 31 March 2015	169	2,491	2,660
Charge for the year	9,466	336	9,802
Disposals	-	2,195	2,195
At 31 March 2016	9,635	631	10,266
Net block			
At 31 March 2015	9	118	127
At 31 March 2016	37,871	429	38,300

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

14 Capital work-in-progress

At 1 April 2014	2,544
Additions	4,429
Less: Capitalization	(4,340)
At 31 March 2015	2,633
Additions pursuant to amalgamation of Capgemini India Private Limited (refer note 31)	376
Additions	5,741
Less: Capitalization	(7,757)
At 31 March 2016	993

15 Deferred tax asset (net)

	31 March 2016	31 March 2015
Deferred tax liabilities		
Excess of depreciation / amortisation on fixed assets provided in accounts over depreciation / amortisation under Income tax law	427	51
Gross deferred tax liability	427	51
Deferred tax assets		
Expenditure covered by section 43B of Income tax Act, 1961	1,405	125
Provision for bonus	644	-
Provision for doubtful trade receivables	169	65
Merger expenses	304	-
Others	448	87
	2,970	277
Net deferred tax asset	2,543	226
Net increase/(decrease) in deferred tax assets during the year	2,317	(131)
Less: Deferred tax assets consequent to amalgamation (refer notes 29 to 33)	2,004	-
Net deferred tax (charge)/credit recognised in the consolidated statement of profit and loss	313	(131)

16 Loans and advances

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Unsecured, considered good				
To parties other than related parties				
Capital advances	130	327	-	-
Security deposit				
- Considered good	1,163	431	492	118
- Considered doubtful	24	-	-	-
Less - Provision for doubtful deposits	(16)	-	-	-
Other loans and advances				
Prepayment of pension liability (refer note 34(b)(ii))	11	-	-	-
Prepaid expenses	41	19	1,081	312
Loans and advances to related parties (refer note 36)	-	-	-	50
Advances to employees	77	-	494	34
Advances recoverable in cash or kind	-	-	71	84
Advance tax recoverable (net of provision for tax) (refer note 50)	6,132	2,186	-	-
Advances to suppliers	-	-	134	12
Balances with statutory/government authorities	1,860	1,448	323	5
MAT credit entitlement *	483	1,354	-	187
	9,905	5,765	2,595	802

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

* During the current year, pursuant to the merger with CIPL and taking into account the proposed transition to Ind AS with effect from 1 April 2016, the MAT credit entitlement recorded during the previous years, amounting to Rs. 1,486 million is more likely than not to be not capable of being set-off against future tax liability. Accordingly, the related asset has been impaired during the current year with a corresponding debit in the statement of profit and loss.

17 Other non-current assets

	31 March 2016	31 March 2015
Gratuity receivable	-	1
Margin money deposit (refer note 20)	2	2
	<u>2</u>	<u>3</u>

18 Current investments

	31 March 2016	31 March 2015
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
<i>Unquoted mutual funds</i>		
79,361 (31 March 2015- Nil) units in Axis Liquid fund direct plan growth - CFDG	129	-
Nil (31 March 2015- 78,847) units in Axis banking debt fund - direct plan - growth	-	100
89,125 (31 March 2015- 173,944) units in Reliance Liquidity Fund Cash Plan Direct Growth Plan	217	390
100,285 (31 March 2015- Nil) units in Reliance Money Manager Fund-Growth Plan	200	-
20,662,903 (31 March 2015 - Nil) units in Reliance Banking & PSU Debt Fund Direct Growth Plan	213	-
66,590 (31 March 2015 - Nil) units in Reliance Liquidity Fund Direct Growth Plan Growth Option	241	-
105,061 (31 March 2015- 103,958) units in Religare liquid fund - growth direct plan	218	200
370,480 (31 March 2015- 312,559) units in Religare invesco credit opportunity fund - direct plan growth option	620	491
10,089,563 (31 March 2015- 5,000,000) units in DSP Black Rock Ultra Short Term Fund Direct Plan Growth	104	50
146,513 (31 March 2015 - Nil) units in DSP BlackRock Liquidity Fund- Institutional Plan-Growth Direct Plan	312	-
160,349 (31 March 2015- 9,426,776) units in HDFC Liquid Fund Direct Plan Growth Option	467	260
Nil (31 March 2015- 6,253,961) units in HDFC floating rate income fund-short term direct plan wholesale option-growth option	-	150
232,997 (31 March 2015- 117,684) units in IDFC Cash Fund -Regular Plan-Growth Direct Plan	424	200
Nil (31 March 2015- 16,711,381) units in IDFC-Money Manager Fund- treasury plan growth-direct plan	-	367
1,718,914 (31 March 2015- 2,669,242) units in IDFC Super Saver Income Fund Medium Term Plan Growth Direct Plan	40	63
8,594,983 (31 March 2015- Nil) units in IDFC Ultra Short Term Fund Growth - Direct Plan	176	-
1,031,274 (31 March 2015- 1,342,651) units in ICICI Prudential flexible income direct plan growth	284	350
Nil (31 March 2015- 1,804,164) units in ICICI Prudential Money Market Fund - Direct Plan -Growth	-	348
14,652,990 (31 March 2015 - Nil) units in ICICI Prudential Ultra Short Term Fund - Direct Plan -Growth	217	-
1990,449 (31 March 2015 - Nil) units in ICICI Prudential Liquid - Regular Plan - Growth Direct Plan	442	-
444,202 (31 March 2015- 370,890) units in Birla Sun Life Savings Fund-Growth - Direct plan	124	100
1,329,987 (31 March 2015- 891,950) units in Birla Sun Life Cash Plus - Growth Direct Plan	314	200
Nil (31 March 2015- 76,293) units in Birla Sun Life Savings Fund-Growth - Direct Plan	-	20
202,010 (31 March 2015- 145,301) units in Tata Money Market Fund Direct Plan Growth	471	320
120,982 (31 March 2015 - Nil) units in Kotak Low Duration Fund Direct Growth	212	-
162,834 (31 March 2015 - Nil) units in Kotak Floater Short Term-(Growth) Direct Plan	398	-
2218,511 (31 March 2015 - Nil) units in DHFL Pramerica Insta Cash Plus Fund -Direct Plan Growth	430	-
16,602.64 (31 March 2015- Nil) units of Rs. 227.97 each fully paid in Birla sun Life Cash Plus - Growth -Direct Plan	4	-
	<u>6,257</u>	<u>3,609</u>
Aggregate book value of unquoted investments	6,257	3,609

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

19 Trade receivables (unsecured) (refer note 50)

	31 March 2016	31 March 2015
Receivables for a period exceeding six months from the date they are due for payment		
Considered good	353	15
Considered doubtful	479	174
Less: Provision for doubtful receivables	(479)	(174)
(A)	353	15
Others receivable		
Considered good	15,815	6,371
Considered doubtful	17	18
Less: Provision for doubtful receivables	(17)	(18)
(B)	15,815	6,371
Total (A+B)	16,168	6,386

20 Cash and bank balances

	31 March 2016	31 March 2015
(i) Cash and cash equivalents		
Cash on hand	-	-
Cheques/drafts on hand	5	-
Remittance in transit	132	220
Balances with banks:		
- in current accounts	2,819	2,063
- in EEFC account	572	234
- in unpaid dividend account	2	2
- in deposits with original maturity of less than 3 months	3,250	-
(ii) Other bank balances		
Bank deposits due to mature within 12 months of the reporting date*	5,055	12
	11,835	2,531

*The deposits maintained by the Company with banks and financial institutions comprise time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal except for restricted deposits.

Details of bank balances/deposits

Bank deposits/balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	3,250	-
Bank deposits/balances due to mature within 12 months of the reporting date included under 'Other bank balances'	5,055	12
Bank deposits/balances due to mature after 12 months of the reporting date included under 'Other non-current assets' in Note 18	2	2
	8,307	14

21 Other current assets

	31 March 2016	31 March 2015
(Unsecured, considered good, unless otherwise stated)		
Unbilled revenues	5,401	480
Interest accrued on fixed deposits	126	1
Plan assets	3	-
Derivative asset	85	531
Fixed assets reclassified as held for sale (at lower of cost or net realisable value) (refer note 12)	13	-
	5,628	1,012

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

22 Revenue from operations

	31 March 2016	31 March 2015
Revenue from software services	108,960	34,391
	<u>108,960</u>	<u>34,391</u>

23 Other income

	31 March 2016	31 March 2015
Interest income on bank deposits	902	2
Interest income on tax refunds and others	20	54
Profit on sale of current investments	275	474
Liabilities no longer required written back	63	42
Profit on sale of fixed assets, net	32	14
Foreign exchange differences, net	739	1,143
Miscellaneous income	199	73
	<u>2,230</u>	<u>1,802</u>

24 Employee benefits expense

	31 March 2016	31 March 2015
Salaries, wages and bonus	65,012	18,222
Employee stock compensation expense (refer note 49)	3,013	488
Contribution to provident and other funds (refer note 34(c))	2,879	1,092
Gratuity and pension fund (refer note 34(a) and 34(b))	795	171
Compensated absences (refer note 34(d))	936	-
Staff welfare expenses	844	340
	<u>73,479</u>	<u>20,313</u>

25 Finance costs

	31 March 2016	31 March 2015
Interest expense	42	91
	<u>42</u>	<u>91</u>

26 Depreciation and amortization

	31 March 2016	31 March 2015
Depreciation of tangible assets	3,824	1,236
Amortization of intangible assets	9,802	185
	<u>13,626</u>	<u>1,421</u>

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

27 Other expenses

	31 March 2016	31 March 2015
Sub-contracting expenses	2,995	3,166
Staff education and training expenses	651	333
Software and hardware expenses	627	24
Power, fuel and utilities	1,257	564
Rent (refer note 12, 14 and 37)	3,179	692
Rates and taxes	234	289
Insurance	44	59
Repairs and maintenance		
Buildings	482	214
Others	216	124
Computer maintenance	1,486	172
Office maintenance	879	272
Advertisement and sales promotion	41	119
Merger and reorganization expenses	796	5
Travel and conveyance	6,752	1,068
Communication	601	245
Recruitment and training	359	85
Legal and professional fees	575	281
Expenditure towards corporate social responsibility initiatives (refer note 44)	150	36
Auditors' remuneration (refer note 41)	26	11
Printing and stationary	94	21
Bank charges	22	13
Provision for doubtful deposits	16	-
Bad debts written off	28	63
Provision for bad and doubtful receivables	84	-
Provision for contingencies	16	-
Group management fees	546	-
Miscellaneous expenses	458	111
	<u>22,614</u>	<u>7,967</u>

28 Government grants

In accordance with AS 12 – 'Accounting for Government Grants' and pursuant to an agreement entered into between erstwhile Capgemini India Private Limited (CIPL) and the Government of Andhra Pradesh in 2013, CIPL has accounted for freehold land received as a non-monetary grant from the Government of Andhra Pradesh. The value of the grant recognised on the balance sheet of CIPL as at 31 March 2015 of Rs. 50 had been arrived at based on the agreement value (including stamp duty and registration fees).

The grants was conditional on CIPL generating employment for 3,000 eligible individuals before August 2011. In the year 2011, CIPL made application to Andhra Pradesh Infrastructure Corporation Limited ('APIIC'), (the modal agency responsible for approving extension of time for fulfillment of requisite conditions) seeking an extension till March 2014 to generate the requisite employment. During the year ended 31 March 2013, CIPL fulfilled the requisite obligation of generating employment. On 30 December 2014, CIPL received approval from Telangana State Industrial Infrastructure Corporation Limited (TSIIC) and transferred the freehold land in the name of CIPL. The deed for registering the land in the name of CIPL was executed on 12 May 2015 and registered on 11 June 2015.

29 Amalgamation of wholly owned subsidiary, Pune Software Park Private Limited

The Board of Directors of Pune Software Park Private Limited ('transferor company'), vide their meeting dated 30 March 2015, in principle approved the Scheme of Amalgamation ('the Scheme') of the transferor company with Capgemini India Private Limited (CIPL) (amalgamated with Igate Global Solutions Limited with effect from 1 April 2015). On 8 April 2015, CIPL filed the Scheme of Amalgamation with the Hon'ble High Court of Judicature at Bombay. The Hon'ble High Court of Judicature at Bombay approved the Scheme of Amalgamation on 26 February 2016. The scheme is effective 1 April 2015 (the Appointed date prescribed in the order). The Scheme has accordingly been given effect to in these consolidated financial statements.

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

- i) Pune Software Park Private Limited was engaged in the business of providing infrastructural facilities to software and telecommunication companies in Pune.
- ii) In accordance with the Scheme, the said amalgamation has been accounted for under the "Pooling of Interests" method as prescribed in Accounting Standard 14 'Accounting for Amalgamations' issued by the Institute of Chartered Accountants of India and as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. There are no differences in the accounting policies followed by CIPL and the transferor company
 - all the business undertakings and business of Pune Software Park Private Limited including all its assets, liabilities and reserves as a going concern have been transferred to and vested in CIPL pursuant to the Scheme at their respective book values as on 1 April 2015
 - Pune Software Park Private Limited was a wholly owned subsidiary of CIPL and accordingly, no consideration was payable pursuant to the scheme of amalgamation. The equity shares held by CIPL in the wholly owned subsidiary i.e. the transferor company stands cancelled and no shares were issued as consideration for amalgamation.
 - all inter-company balances and transactions have been cancelled/ eliminated.

The amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the scheme at the values given below:

Particulars	Amount
Fixed assets (net) including capital work-in-progress	36
Cash and bank balances	118
Other current assets and debtors	9
Loans and advances	1
Total assets acquired on amalgamation (A)	164
Liabilities and provisions	1
Total liabilities acquired on amalgamation (B)	1
Net assets acquired on amalgamation (C) = (A-B)	163
Balance in general reserve of the amalgamated company as on 31 March 2015 - considered as additions to the opening balance of the Company's general reserve	1
Balance in the statement of profit and loss of the amalgamated company as on 31 March 2015 - considered as additions to the opening balance of the Company's statement of profit and loss	113
Investment in shares of the transferor company (A)	171
Cancellation of the share capital of the transferor company (B)	50
Difference between the value of net assets of Pune Software Park Private Limited (including reserves) transferred to the Company after adjusting for investments cancelled has been debited to Statement of Profit and Loss under Reserves and Surplus of Capgemini India Private Limited	121

30 Amalgamation of Capgemini Business Services (India) Private Limited

The Board of Directors of Capgemini Business Services (India) Private Limited ('the transferor company'), vide their meeting dated 29 April 2015, in principle approved the Scheme of Amalgamation ('the Scheme') of the transferor company with (CIPL). On 31 July 2015, CIPL filed the Scheme of Amalgamation with the Hon'ble High Court of Judicature at Bombay. The Hon'ble High Court of Judicature at Bombay approved the Scheme of Amalgamation on 18 December 2015. The scheme is effective 1 April 2015 (the Appointed date prescribed in the order). The Scheme, has accordingly, been given effect to in these consolidated financial statements.

- i) Capgemini Business Services (India) Private Limited was engaged in the business of providing financial shared services and governance, risk and compliance services to its customers.
- ii) In accordance with the Scheme, the whole of the undertaking of Capgemini Business Services (India) Private Limited as a going concern was transferred to and vested in CIPL with effect from 1 April 2015, being the Appointed Date.
- iii) In consideration of Capgemini Business Services (India) Private Limited's amalgamation with CIPL, CIPL has issued 152,816 equity shares of the face value of Rs 100 each, aggregating to Rs 15 in the ratio of 306 equity shares of the face value of Rs 100 each of CIPL for every 10 fully paid up equity shares of the face value of Rs 100 each held by shareholders of Capgemini Business Services (India) Private Limited. The above mentioned equity shares (hereinafter referred to as

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

the 'New Equity Shares on amalgamation') have been issued at a fair value of Rs 75,803 per share resulting in the total consideration aggregating Rs 11,584.

- iv) The said amalgamation has been accounted for under the "Purchase" method as prescribed by the Accounting Standard 14 - Accounting for Amalgamations issued by the Institute of Chartered Accountants of India and as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Relevant provisions of the Scheme as approved by the Honorable High Court are as under;
- Pursuant to the Scheme, all the assets and liabilities of the transferor company shall be transferred to and vested in the transferee company and shall be recorded at their fair value as determined by the Board of Directors of the transferee company.
 - Any excess of the fair value of the shares issued by the transferee company as consideration over the value of the net assets of the transferor company acquired by the transferee company shall be adjusted in the transferee company's financial statements as Goodwill arising on Amalgamation.
 - Pursuant to the provisions of Section 391 to 394 and other applicable provisions of the Act, the entire undertaking of the Transferor Company comprising its business, all assets and liabilities as referred to in the Scheme of Amalgamation and Arrangement is to be transferred to and vested in and / or deemed to be transferred to and vested in the Company as a going concern.
 - On the Scheme of Amalgamation and Arrangement coming into effect on 21 January 2016 i.e. the Effective Date, the Transferor Company shall, without any further act or deed, stand dissolved without winding up.

The amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the Scheme at the values given below:

Particulars	Amount
Fixed assets (net) including capital work-in-progress	708
Deferred tax assets	100
Long-term loans and advances	383
Trade receivables	1,668
Cash and bank balances	1,711
Short-term loans and advances	402
Other current assets	96
Total assets acquired on amalgamation (A)	5,068
Non-current liabilities	
Current liabilities and provisions	69
Employee stock option reserve	1,131
Total liabilities acquired on amalgamation (B)	1,200
Net assets acquired on amalgamation (C) = (A-B)	3,868
Cost of acquisition of the transferor company (D)	11,584
Goodwill arising out of amalgamation (E = D- C)	7,716

Goodwill arising on amalgamation is tax deductible. On account of the above amalgamation, the Company has amortised goodwill amounting to Rs. 1,929 for tax return purposes.

31 Amalgamation of fellow subsidiary, Capgemini India Private Limited

The Board of Directors of CIPL ('the transferor company'), vide their meeting dated 25 January 2016, in principle approved the Scheme of Amalgamation ('the Scheme') of CIPL with IGS. The Company on 17 May 2016 filed the Scheme with the Hon'ble High Court of Judicature at Bombay. The Hon'ble High Court of Judicature at Bombay approved the Scheme on 29 September 2016. The scheme is effective 1 April 2015 (the Appointed date prescribed in the order). The Scheme has, accordingly, been given effect to in these consolidated financial statements.

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

- i) In terms of the Scheme of Amalgamation, the whole of the undertaking of CIPL as a going concern stands transferred to and vested in IGS with effect from 1 April 2015.
- ii) CIPL was engaged in the business of providing information technology related consulting, technology and outsourcing services and information technology enabled back office support services.
- iii) In consideration of CIPL's amalgamation with the Company, the Company issued 32,011,267 equity shares of face value of Rs. 10 each aggregating to Rs. 320 in the ratio of 464 equity shares of IGATE Global Solutions Limited of INR 10 each fully paid up for every 10 equity shares of Capgemini India Private Limited of INR 100 each fully paid up. The above mentioned equity shares (hereinafter referred to as the 'New Equity Shares on Merger') have been issued at a fair value of Rs 2,248 per share resulting in the total consideration aggregating Rs 71,955.
- iv) The said amalgamation has been accounted for under the "Purchase" method as prescribed by Accounting Standard 14 - Accounting for Amalgamations issued by the Institute of Chartered Accountants of India and as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Relevant provisions of the Scheme as approved by the Honorable High Court are as under;
 - a) Pursuant to the Scheme, all the assets and liabilities of the transferor company shall be transferred to and vested in the transferee company and shall be recorded at their fair value as determined by the Board of Directors of the transferee company.
 - b) Any excess of the fair value of the shares issued by the transferee company as consideration over the value of the net assets of the transferor company acquired by the transferee company shall be adjusted in the transferee company's financial statements as goodwill arising on amalgamation.
 - c) Pursuant to the provisions of Section 391 to 394 and other applicable provisions of the Act, the entire undertaking of the transferor company comprising its business, all assets and liabilities as referred to in the Scheme of amalgamation and arrangement is to be transferred to and vested in and / or deemed to be transferred to and vested in the Company as a going concern.
 - d) On the Scheme of Amalgamation and Arrangement coming into effect on 14 November 2016 i.e. the Effective Date, the transferor company shall, without any further act or deed, stand dissolved without winding up.

The amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the scheme at the values given below:

Particulars	Capgemini India Private Limited	Capgemini Business Services (India) Private Limited (refer note 30)	Pune Software Park Private Limited (refer note 29)	Amount
Fixed assets (net) including capital work-in-progress				
- Tangible assets	10,366	708	109	11,183
- Intangible assets	229	-	-	229
- Goodwill pursuant to amalgamation	-	7,716	-	7,716
Capital work-in-progress	376	-	-	376
Non-current investments	2	-	0	2
Deferred tax assets	1,904	100	-	2,004
Long-term loans and advances	1,864	383	1	2,247
Other non-current assets	2	-	-	2
Trade receivables	8,183	1,668	3	9,854
Cash and bank balances	16,904	1,711	118	18,733
Short-term loans and advances	788	402	0	1,190
Other current assets	3,594	96	6	3,696
Total assets acquired on amalgamation (A)	44,212	12,784	237	57,233

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Non-current liabilities	3,239	69	-	3,308
Current liabilities and provisions	6,951	1,131	1	8,083
Liability towards buy-back of shares issued by CIPL	13,499	-	-	13,499
Total liabilities acquired on amalgamation (B)	23,689	1,200	1	24,890
Net assets acquired on amalgamation (C) = (A-B)	20,523	11,584	236	32,343
Cost of acquisition of the transferor company (D)				71,955
Goodwill arising out of amalgamation (E = D - C)				39,612

Goodwill arising on amalgamation is tax deductible. On account of the above amalgamation, the Company has amortised goodwill amounting to Rs. 9,903 for tax return purposes.

32 Amalgamation of IGATE Information Services Private Limited with the Company

During the previous year, in accordance with the scheme of Amalgamation ("the Scheme") erstwhile IGATE Information Services Private Limited, primarily engaged in providing IT and IT enabled operations offshore outsourcing solutions and services, ("the Amalgamating Company") as approved by the members on 23 March 2015, and subsequently sanctioned by the Honorable High Court of Bombay by order dated 4 September 2015, has been merged with the Company. The undertaking of the Amalgamating Company being all the properties, rights and powers including all the assets, debts, liabilities, duties and obligations have been transferred to and vested in the Company retrospectively with effect from 1 April 2014. The Scheme has accordingly been given effect to in the financial statements, after recording the adjustments required therein.

The amalgamation has been accounted for under the "Pooling of interest" method as prescribed by Accounting Standard (AS) 14 (Accounting for Amalgamations) issued by the Institute of Chartered Accountants of India (ICAI). Accordingly the assets, liabilities and reserves of the Amalgamating Company have been recorded by the Company at their existing carrying amounts as on 1 April 2014 after making necessary adjustments to align with the accounting policies adopted by the Company.

Pursuant to the Scheme, 566,758 equity shares of Rs.10 each of the Company were required to be allotted to the shareholders of the Amalgamating Company as complete settlement of the purchase consideration. Pending allotment, an amount of Rs.6 million was disclosed as share application money pending allotment as at 31 March 2015. The shares have been allotted during the current year and the share application money has been suitably adjusted.

All profits or income accruing or arising to and expenditures or losses incurred by the Amalgamating Company during the period 1 April 2014 to 31 March 2015 have also been incorporated in these financial statements. During this period, the amalgamating Company carried on the existing business and activities in trust for and on behalf of the Company. Accordingly all vouchers, documents, etc. for the period are in the name of the Amalgamating Company. The title deeds for all contracts, deeds, bonds, licenses, agreements, loan documents, etc., are being transferred in the name of the Company.

In terms of the scheme, all employees in service of the Amalgamating Company have become employees of the Company without any break of interruption in service. All rights, duties, powers and obligations of the Amalgamating Company with respect to employee benefits have been transferred to the Company.

The details of assets and liabilities taken over pursuant to scheme of amalgamation are as follows:

Particulars	Amount
Fixed assets	16
Non-current investments	1
Other non-current assets	3
Deferred tax assets	25
Long-term loans and advances	127
Current investments	951
Trade receivables	169
Cash and bank balances	60
Other current assets	1
Short-term loans and advances	60
Total assets acquired on amalgamation (A)	1,413

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Long-term provisions	20
Trade payables	37
Other current liabilities	7
Short-term provisions	20
Total liabilities acquired on amalgamation (B)	84
Reserves	
Securities premium account	7
Net surplus in the Statement of Profit and Loss	1,318
Total reserves acquired on amalgamation (C)	1,325
Net assets (A-B-C)	4
Purchase consideration	6
Excess of purchase consideration over net assets debited to surplus in the statement of profit and loss	(2)

33 During the year ended 31 March 2016, the Company paid remuneration amounting to Rs. 291 million to its whole-time director, Mr. Sujit Sircar. Such amounts paid are in excess of the limits specified in section 197 of Companies Act, 2013 ('the Act') and Schedule V of the Act. The Company is in the process of making an application to the Central Government and convening meetings of the Board of Directors and shareholders of the Company to ratify such excess remuneration paid aggregating to Rs.221.

34 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 summarizes the components of net benefit expense recognized in the consolidated statement of profit and loss and the position of assets and obligations relating to the plan.

	31 March 2016	31 March 2015
Amount to be recognised in the consolidated balance sheet		
Present value of defined benefit obligation	3,948	964
Fair value of plan assets	(2,577)	(880)
Net liability	1,371	84
Amounts in the consolidated balance sheet:		
Liabilities		
Current	-	-
Non-current	1,371	84
Present Value of Defined Benefit Obligation		
Projected benefit obligation at the beginning of the year	967	803
Projected benefit obligation assumed on amalgamation (refer note 31)	2,356	20
Current service cost	739	158
Interest cost	300	77
Benefits paid	(328)	(123)
Actuarial (gains) / losses	(86)	29
Projected benefit obligation at end of year (A)	3,948	964

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Fair value of plan assets

Fair value of plan assets at beginning of the year	880	800
Fair value of plan assets acquired on amalgamation (refer note 31)	1,021	-
Contributions by employer	847	101
Expected return	154	55
Actuarial gains	3	43
Benefits paid	(328)	(119)
Fair value of plan assets at end of the year (B)	2,577	880

Liability recognised in the consolidated balance sheet (A-B)

1,371 84

Expense to be recognised in the consolidated statement of profit and loss

Current service cost	739	158
Interest cost	300	77
Expected return on plan assets	(154)	(55)
Actuarial (gains) / losses	(89)	(13)
Total included in employee benefits expense	795	167

Return on plan assets

Expected return on plan assets	154	55
Actuarial gain	3	43
Actual return on plan assets	157	98

The Company provides the gratuity benefit through annual contributions to a fund managed by the trust. Under this plan, the settlement obligation remains with the Company, although the trust administers the plan and determines the contribution premium 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 during the year ending 31 March 2017 is Rs. 650 million.

The principal assumptions used in determining the gratuity benefit are shown below:

Salary escalation rate	7% - 8%	6% - 10%
Discount rate	7.75% to 7.95%	7.95%
Expected rate of return on plan assets	8%	7.50%

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. The calculation of the defined benefit obligations is sensitive to the mortality assumptions.

Amounts for the current and previous four period are as follows

Experience adjustments for the current year and previous four years are as follows:

	31-March-12	31-March-13	31-March-14	31-March-15	31-March-16
Defined benefit obligation	181	792	797	967	3,948
Fair value of Plan assets	169	694	749	880	2,577
Surplus/(Deficit) in the plan	(13)	(10)	(48)	(87)	(1,371)
Experience adjustment arising on plan liabilities	-	586	(57)	(17)	(147)
Experience adjustment arising on plan assets	-	364	(8)	42	(4)

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

(b) Pension benefits

(i) Pension liability

One of the founder director of erstwhile IGATE Computer Systems Limited is entitled to receive pension benefits upon retirement or on termination from employment, at the rate of 50% of his last drawn monthly salary. The payment of pension will start when he reaches the age of 65. The Company has invested in a plan with Life Insurance Corporation of India which will mature at the time the founder director will reach the age of 65. Since the Company is obligated to fund the shortfall, if any, between annuity payable and the value of plan assets, the pension liability is actuarially valued at each balance sheet date.

The following table summarizes the components of net benefit expense recognized in the consolidated statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

	31 March 2016	31 March 2015
Amounts to be recognised in the consolidated balance sheet		
Present value of defined benefit obligation	72	67
Fair value of plan assets	(70)	(66)
Net liability	2	1
Amounts in the consolidated balance sheet:		
Liabilities		
Current	-	-
Non-current	2	1
Present Value of Defined Benefit Obligation		
Projected benefit obligation at the beginning of the year	67	63
Interest cost	5	4
Projected benefit obligation at the end of the year (A)	72	67
Fair value of plan assets		
Fair value of plan assets at beginning of the year	66	62
Expected return	4	4
Fair value of plan assets at the end of the year (B)	70	66
	2	1
Amounts recognised in the consolidated balance sheet (A-B)		
Expense to be recognised in the consolidated statement of profit and loss		
Interest cost	5	4
Expected return on plan assets	(4)	(4)
Total included in employee benefits expense	1	-
Return on plan assets		
Expected return on plan assets	4	4
Actual return on plan assets	4	4
Category of assets	-	-
Insurer Managed Funds	100%	100%
The principal assumptions used in determining pension are shown below:		
Discount rate (p.a)	7.00%	7.00%
Expected rate of return on plan assets	6.32%	6.32%

Salary escalation rate

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. The calculation of the defined benefit obligations is sensitive to the mortality assumptions.

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Experience adjustments for the current year and previous four years are as follows:

	31-March-12	31-March-13	31-March-14	31-March-15	31-March-16
Defined benefit obligation	55	59	63	67	72
Plan Assets	55	58	62	66	70
Surplus/(Deficit)	-	(1)	(1)	(2)	(2)
Expense adjustment on Plan Liabilities	-	-	-	-	-
Expense adjustment on Plan Assets	2	-	-	-	-

(ii) Prepayment of pension liability

Employees of CGBSIL who have elected to continue under the defined benefit scheme are entitled to 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. An employee who retires from service 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 for certain and thereafter during the lifetime of the member. On his / her death, in retirement or whilst in service, 66%-213% of Member's pension is payable to the spouse during her/ his lifetime.

	31 March 2016	31 March 2015
Amount to be recognised in the consolidated balance sheet		
Present value of defined benefit obligation	30	-
Fair value of plan assets	(45)	-
Amount not recognised as an asset (limit in para 59b)	4	-
Net liability / (asset)	(11)	-
Amounts in the consolidated balance sheet:		
Assets		
Current	-	-
Non-current	11	-
Present value of defined benefit obligation		
Projected benefit obligation at the beginning of the year	-	-
Projected benefit obligation assumed on amalgamation (refer note 31)	27	-
Current service cost	2	-
Interest cost	2	-
Actuarial losses / (gains)	(1)	-
Projected benefit obligation at the end of the year (A)	30	-
Fair value of plan assets		
Fair value of plan assets at beginning of the year	-	-
Fair value of plan assets acquired on amalgamation (refer note 31)	42	-
Expected return	3	-
Actuarial gains	1	-
Fair value of plan assets at end of the year (B)	45	-
Amount not recognised as an asset (limit in para 59b) (C)	4	-
Amount recognised in the consolidated balance sheet (A-B-C)	(11)	-
Expenses to be recognised in the consolidated statement of profit and loss		
Current service cost	2	-
Interest cost	2	-
Expected return on plan assets	(3)	-
Actuarial losses / (gains)	(2)	-
Total included in employee benefit expenses	(1)	-

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

	31 March 2016	31 March 2015
Return on plan assets		
Expected return on plan assets	3	-
Actuarial losses	1	-
Actual return on plan assets	4	-
Category of assets	-	-
Insurer managed funds	100%	-
The principal assumptions used in determining pension are shown below:		
Discount rate (p.a)	7.50% p.a.	-
Expected rate of return on plan assets	8%	-
Salary Escalation Rate	7% for the first 2 years 6.50% thereafter	-

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. The calculation of the defined benefit obligations is sensitive to the mortality assumptions.

Experience adjustments for the current year and previous four years are as follows:

	31-March-12	31-March-13	31-March-14	31-March-15	31-March-16
Defined benefit obligation	-	-	-	-	35
Plan Assets	-	-	-	-	45
Surplus/(Deficit)	-	-	-	-	11
Expense adjustment on Plan Liabilities	-	-	-	-	(2)
Expense adjustment on Plan Assets	-	-	-	-	1

(c) Provident fund

IGS makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, which is a defined contribution plan. The Company has no obligation other than to make the specified contributions. The contributions are charged to the consolidated statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to provident fund for the year aggregated to Rs. 651 (previous year: Rs. 720).

Eligible employees of erstwhile CIPL (amalgamated company), receive benefits from a provident fund, which is a defined benefit plan and is administered by the Company managed Trust. The Company and its employees make the specified contributions to the provident fund on a monthly basic. The contributions made are recognised as an expense in the consolidated statement of profit and loss as they accrue. During the current year, the company made contributions amounting to Rs. 1,305 to the Trust managed by erstwhile CIPL and Rs. 668 to the Central Government towards pension.

The provident fund is administered by the Company through a trust set up for the purpose. All assets of the plan are owned by the Trust and comprise of approved debt and other securities and deposits with banks.

The Guidance on implementing AS 15, Employee Benefits (revised 2005) states that benefits involving employer established provident funds, which require interest shortfalls to be recompensated are to be considered as defined benefit plans. During the year ended 31 March 2012, the Actuarial Society of India had issued the guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation and based on the below provided assumptions there is no shortfall as at 31 March 2016.

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

	31 March 2016	31 March 2015
Amount to be recognised in the consolidated balance sheet		
Present value of defined benefit obligation		
Projected benefit obligation at the beginning of the year	-	-
Projected benefit obligation assumed on amalgamation (refer note 31)	14,516	-
Current Service Cost	1,305	-
Interest cost	1,154	-
Actuarial Losses / (Gains)	448	-
Employees contribution	1,843	-
Liabilities assumed on acquisition/ (settled on divestiture)	(574)	-
Benefits paid	(435)	-
Projected benefit obligation at the end of the year (A)	18,257	-
Fair Value of Plan Assets		
Fair Value of plan assets at beginning of the year	-	-
Fair Value of plan assets acquired on amalgamation (refer note 33)	14,516	-
Expected return	1,377	-
Actuarial Gains	225	-
Employer contribution during the year	1,305	-
Employee contribution during the year	1,843	-
Assets acquired on acquisition/ (settled on divestiture)	(574)	-
Benefits paid	(435)	-
Fair Value of plan assets at end of the year (B)	18,257	-
Amounts recognized in the consolidated balance sheet: (A-B)		
Expense to be recognised in the consolidated statement of profit and loss		
Current service cost	1,305	-
Interest cost	1,154	-
Expected return on plan assets	(1,377)	-
Actuarial (gains) / losses	223	-
Total	1,305	-
Return on plan assets		
Expected return on plan assets	1,377	-
Actuarial losses	(227)	-
Actual return on plan assets	1,150	-
Category of assets		
Government of India securities	45%	-
Corporate bonds	47%	-
Equity shares of listed companies	2%	-
Others	6%	-
	100%	-
The principal assumptions used in determining the gratuity benefit are shown below:		
Discount rate	7.50% - 7.80% p.a.	-
Expected rate of return on plan assets	8.94% - 9.10%	-
Discount rate for the remaining term to maturity of investment	7.77% - 7.98% p.a.	-
Average historic yield on the investment	9.21% - 9.28%	-
Guaranteed rate of return	8.8% p.a.	-

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Experience adjustments for the current year and previous four years are as follows:

	31-March-12	31-March-13	31-March-14	31-March-15	31-March-16
Defined benefit obligation	-	-	-	-	18,258
Fair value of Plan assets	-	-	-	-	18,258
Surplus/(Deficit) in the plan	-	-	-	-	-
Experience adjustment arising on plan liabilities	-	-	-	-	448
Experience adjustment arising on plan assets	-	-	-	-	225

(d) Compensated Absences:

Compensated absences as at the consolidated balance sheet date, determined on the basis of actuarial valuation based on the "projected unit credit method" is as below:

	31 March 2016	31 March 2015
Short-term provision (refer note 8)	1,104	181
Long-term provision (refer note 8)	2,221	274
	<u>3,325</u>	<u>455</u>
Actuarial assumptions		
Discount rate	7.75% to 7.95%	7.95%
Salary escalation rate	7% - 8%	6% - 10%

35 Segment reporting

The Company'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 Company considers all of these services to be relating to one segment i.e. IT enabled services. The Company 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 Company's geographic segmentation is based on location of customers. Revenue in relation to geographic segments is categorised based on the location of the specific customer entity for which services are performed 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 Company 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 Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

The Company has customers in the following geographic areas:

Geographic Area	Countries
America	Brazil, Canada, Chile, Guatemala, Mexico, Columbia, Trinidad and Tobago and United States of America
Europe	Austria, Belgium, Czech Republic, Cyprus, Denmark, Finland, France, Germany, Gibraltar, Hungary, Ireland, Italy, Luxembourg, Monaco, Netherlands, Norway, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland, Romania and United Kingdom
India	India
Rest of the World	Australia, Bahrain, China, United Arab Emirates, Hong Kong, Indonesia, Japan, Malaysia, Mauritius, Oman, Philippines, Republic of Korea, Sierra Leone, Singapore, South Africa, Sudan and Thailand

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

	31 March 2016	31 March 2015
Revenue		
- India	10,728	877
- Europe	42,456	7,089
- America	48,371	23,323
- Rest of the world	7,405	3,102
	<u>108,960</u>	<u>34,391</u>
Segment assets		
Trade receivables		
- India	1,896	400
- Europe	6,828	1,785
- America	5,896	3,885
- Rest of the world	1,551	316
	<u>16,171</u>	<u>6,386</u>
Unbilled revenue		
- India	2,185	43
- Europe	2,109	111
- America	688	269
- Rest of the world	419	57
	<u>5,401</u>	<u>480</u>
Billing in advance		
- India	180	3
- Europe	360	46
- America	136	30
- Rest of the world	31	27
	<u>707</u>	<u>106</u>
Advances from customers		
- India	1	-
- Europe	-	10
- America	-	-
- Rest of the world	-	4
	<u>1</u>	<u>14</u>

36 Related party disclosures

Related party disclosures in accordance with Accounting Standard 18 - "Related Party Disclosures" notified under section 133 of Companies Act, 2013 are given below.

Names of related parties and related party relationship

Related party where control exists

Ultimate holding company

Cap Gemini S.A. (with effect from 1 July 2015)

IGATE Corporation (till 30 June 2015)

Holding company

PAN-Asia IGATE Solutions

Joint venture

Thesys Technologies LLC

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Key management personnel

Ashok Vemuri - Director (Resigned on October 6, 2015)

Sujit Sircar (Director)

Mukund Srinath (Company Secretary)

Ashok Trivedi (till July 1, 2015)

Sunil Wadhwani (till July 1, 2015)

Nagesh Kumar M (Chief Financial Officer)

Michel Ginet - Legal Finance Director

Employee benefit funds where control exists

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

Related parties with whom transactions have taken place during the year

IGATE Corporation	Ultimate holding company till 30 June 2015	Capgemini Business Services Brasil - Assessoria Empresarial Ltda	Fellow subsidiary
IGATE Computer Systems (UK) Limited	Fellow subsidiary	Capgemini Business Services Chile Ltda	Fellow subsidiary
IGATE Information Services (UK) Limited	Fellow subsidiary	Capgemini Business Services Guatemala SA	Fellow subsidiary
CHCSS Services Inc	Fellow subsidiary	Capgemini Canada Inc.	Fellow subsidiary
IGATE Technologies Inc.,	Fellow subsidiary	Capgemini Colombia SAS	Fellow subsidiary
IGATE Technologies Canada Inc.,	Fellow subsidiary	CHCS Services Inc	Fellow subsidiary
Capgemini Australia pty	Fellow subsidiary	Capgemini Consulting Österreich AG	Fellow subsidiary
Capgemini Belgium NV/SA	Fellow subsidiary	Capgemini Consulting S.A.S.	Fellow subsidiary
Capgemini France Direction Generale	Fellow subsidiary	Capgemini Czech Republic s.r.o	Fellow subsidiary
Capgemini India Pvt Ltd	Fellow subsidiary	Capgemini Deutschland GmbH	Fellow subsidiary
Capgemini Service S.A.S	Fellow subsidiary	Capgemini Deutschland Holding GmbH	Fellow subsidiary
Capgemini Sverige AB (Sweden)	Fellow subsidiary	Capgemini Dubai LLC	Fellow subsidiary
Capgemini Nederland BV	Fellow subsidiary	Capgemini Educational Services B.V.	Fellow subsidiary
Capgemini Schweiz AG (Switzerland)	Fellow subsidiary	Capgemini Energy LP	Fellow subsidiary
Sogeti Nederland BV	Fellow subsidiary	Capgemini España S.L.	Fellow subsidiary
PAN-Asia IGATE Solutions	Holding company	Capgemini Est SAS	Fellow subsidiary
IGATE Technologies Luxembourg S.á r.l.	Fellow subsidiary	Capgemini Finance et Services S.A.S.	Fellow subsidiary
Capgemini (China) Co. Ltd.	Fellow subsidiary	Capgemini Financial Services (Japan) Inc.	Fellow subsidiary
Capgemini (Hangzhou) Co.Limited	Fellow subsidiary	Capgemini Financial Services Canada Inc	Fellow subsidiary
Capgemini America Inc.	Fellow subsidiary	Capgemini Financial Services HK Ltd.	Fellow subsidiary
Capgemini Argentina, S.A.	Fellow subsidiary	Capgemini Financial Services International Inc.	Fellow subsidiary
Capgemini Asia Pacific Pte. Ltd. - Taiwan Branch	Fellow subsidiary	Capgemini Financial Services UK Limited	Fellow subsidiary
Capgemini Australia Pty. Ltd.	Fellow subsidiary	Capgemini Financial Services USA Inc.	Fellow subsidiary
Capgemini BAS BV	Fellow subsidiary	Capgemini Finland Oy	Fellow subsidiary
Capgemini Belgium NV/S.A.	Fellow subsidiary	Capgemini France Outsourcing Services	Fellow subsidiary
Capgemini BST S.P.A.	Fellow subsidiary	Capgemini France S.A.S.	Fellow subsidiary
Capgemini Business Services (Asia) Limited	Fellow subsidiary	Capgemini Government Solutions LLC	Fellow subsidiary
Capgemini Business Services (China) Limited	Fellow subsidiary	Capgemini Hong Kong Ltd.	Fellow subsidiary
Capgemini Business Services (India) Private Limited (till 31 March 2015)	Fellow subsidiary	Capgemini Italy SPA	Fellow subsidiary
		Capgemini Magyarorszag Kft.	Fellow subsidiary

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Capgemini Mexico S. de R.L	Fellow subsidiary	CPM Braxis S.A.	Fellow subsidiary
Capgemini Middle East FZ-LLC	Fellow subsidiary	IBX Group AB	Fellow subsidiary
Capgemini Nederland BV	Fellow subsidiary	IGATE Corporation	Fellow subsidiary
Capgemini Norge A/S	Fellow subsidiary	Igate Global Solutions Limited (w.e.f. 1 April 2015)	Fellow subsidiary
Capgemini North America Inc.	Fellow subsidiary	IGATE Technologies Luxembourg S.á r.l.	Fellow subsidiary
Capgemini OS Electric S.A.S.	Fellow subsidiary	Inergi LP	Fellow subsidiary
Capgemini Ouest SAS	Fellow subsidiary	Kanbay (Asia) Limited	Fellow subsidiary
Capgemini Outsourcing BV	Fellow subsidiary	Kanbay International Inc	Fellow subsidiary
Capgemini Outsourcing Services GmbH	Fellow subsidiary	Kanbay Limited	Fellow subsidiary
Capgemini Outsourcing Services S.A.S.	Fellow subsidiary	New Horizon System Solutions LP	Fellow subsidiary
Capgemini Philippines SBOS	Fellow subsidiary	Prosodie SA	Fellow subsidiary
Capgemini Polska Sp. z.o.o	Fellow subsidiary	Societe en Commandite Capgemini	
Capgemini Portugal, Serviços de Consultoria e Informatica, S.A.	Fellow subsidiary	Quebec Limited Partnership	Fellow subsidiary
Capgemini Service Romania s.r.l.	Fellow subsidiary	Societe General Global Solutions	
Capgemini Service S.A.S.	Fellow subsidiary	Centra Private Limited	Fellow subsidiary
Capgemini Services Malaysia Sdn Bhd	Fellow subsidiary	Sogeti Belgium S.A.	Fellow subsidiary
Capgemini Schweiz AG, Outsourcing services	Fellow subsidiary	Sogeti Corporate Services S.A.S.	Fellow subsidiary
Capgemini Singapore Pte. Ltd.	Fellow subsidiary	Sogeti Deutschland GmbH	Fellow subsidiary
Capgemini Singapore Pte. Ltd. - Abu Dabhi Branch	Fellow subsidiary	Sogeti Finland Oy	Fellow subsidiary
Capgemini Slovensko s.r.o.	Fellow subsidiary	Sogeti France S.A.S.	Fellow subsidiary
Capgemini Sogeti Danmark A/S	Fellow subsidiary	Sogeti High Tech S.A.S.	Fellow subsidiary
Capgemini Suisse AG	Fellow subsidiary	Sogeti Infrastructure Services SAS	Fellow subsidiary
Capgemini Suisse S.A.	Fellow subsidiary	Sogeti Ireland Ltd	Fellow subsidiary
Capgemini Sverige AB	Fellow subsidiary	Sogeti Ltd	Fellow subsidiary
Capgemini Technologies LLC	Fellow subsidiary	Sogeti Luxembourg S.A.	Fellow subsidiary
Capgemini Technology Services	Fellow subsidiary	Sogeti Nederland BV	Fellow subsidiary
Capgemini Telecom Media & Networks		Sogeti Norge AS	Fellow subsidiary
Deutschland GmbH	Fellow subsidiary	Sogeti Suisse SA	Fellow subsidiary
Capgemini UK Plc	Fellow subsidiary	Sogeti Sverige AB	Fellow subsidiary
Capgemini Universite S.A.S.	Fellow subsidiary	Sogeti UK Ltd	Fellow subsidiary
Capgemini US LLC	Fellow subsidiary	Sogeti USA LLC	Fellow subsidiary
CPM Braxis Erp Tecnologia da Informação Ltda.	Fellow subsidiary	Thesys Technologies Middle East FZE	Fellow subsidiary
		Transiciel International Ltd.	Fellow subsidiary

Related party transactions

	31 March 2016	31 March 2015
a) Revenues from operations		
IGATE Technologies Inc.,	16,082	15,632
IGATE Technologies Canada Inc.,	2,870	2,537
IGATE Computer Systems (UK) Limited	2,948	2,915
Capgemini Financial Services USA Inc.	7,670	-
Capgemini UK Plc	7,502	-
Capgemini America Inc.	7,065	-
Capgemini US LLC	6,515	-
Others	35,130	294

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

b) Expense incurred by the Company on behalf of		
Capgemini Service S.A.S.	128	-
IGATE Technologies Inc.,	166	296
IGATE Technologies Canada Inc.,	33	18
IGATE Computer Systems (UK) Limited	59	62
CHCSS Services Inc.	67	-
Others	123	41
c) Expenses cross charged		
IGATE Technologies Inc.,	1,057	1,889
IGATE Corporation	113	488
IGATE Technologies Canada Inc.,	99	328
IGATE Computer Systems (UK) Limited	389	371
Capgemini Service S.A.S.	747	-
Others	1,262	121
e) Shares repurchased		
PAN-Asia IGATE Solutions	-	6,473
Capgemini Financial Services International Inc.	303	-
Kanbay (Asia) Limited	13,195	-
f) Share capital pending allotment		
Capgemini SA	56,017	-
Capgemini US LLC	15,938	-
IGATE Technologies Inc.,	-	6
g) Remuneration (including ESOP)		
Key management personnel	549	93

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

Balances outstanding

	31 March 2016	31 March 2015
a) Trade receivables		
IGATE Technologies Inc.,	1,368	2,816
IGATE Technologies Canada Inc.,	1,000	564
IGATE Computer Systems (UK) Limited	1,444	971
Capgemini America Inc.	833	-
Others	7,769	200
b) Short term loans and advances		
IGATE Technologies Inc.,	-	6
IGATE Technologies Canada Inc.,	-	27
IGATE Computer Systems (UK) Limited	-	17

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

c) Trade payables		
IGATE Technologies Inc.,	273	194
IGATE Corporation	673	57
IGATE Technologies Canada Inc.,	6	71
IGATE Computer Systems (UK) Limited	151	92
PAN-Asia IGATE Solutions	293	-
Capgemini Service S.A.S.	346	-
Capgemini Universite S.A.S.	150	-
Others	821	20
d) Unbilled revenue		
Capgemini UK PLC	641	-
Capgemini Outsourcing Services SAS	448	-
Others	1,388	-
e) Billing in advance		
Capgemini UK Plc	88	-
Capgemini America Inc	85	-
Capgemini Outsourcing Services SAS	62	-
Others	179	-

37 Leases

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:

	31 March 2016	31 March 2015
Total minimum lease payments at the year end	91	105
Less: amounts representing finance charges	19	21
Present value of minimum lease payments (rate of interest: 9.75% to 16% p.a.)	72	84
Minimum lease payments:		
Within one year [present value of Rs. 24 million (31 March 2015 Rs. 24 million)]	35	36
After one year but not more than five years [present value of Rs. 48 million (31 March 2015 Rs. 60 million)]	56	69
	91	105

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. Vehicles taken on operating lease have been entered up to a maximum of 3 years from the date of inception.

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Future minimum lease rentals payable under non-cancellable operating leases are as follows:

	31 March 2016	31 March 2015
i) Lease payments (including service charges) recognised in the consolidated statement of profit and loss	3,179	692
ii) Total Future minimum lease payments under the non - cancellable operating leases :		
Within one year	2,510	555
After one year but not more than five years	5,500	1,540
More than five years	1,167	264
	<u>9,177</u>	<u>2,359</u>

38 Earnings Per Share (EPS)

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

	31 March 2016	31 March 2015
(A) Net profit/(loss) after tax attributable to equity shareholders	64	5,493
(B) Weighted average number of equity shares in calculating basic EPS (nos.)	59,139,500	28,166,828
(C) Weighted average number of equity shares in calculating diluted EPS (nos.)	59,139,500	28,166,828
Basic and diluted earnings per share (Rs)		
Basic earnings per share of face value of Rs.10/- each (A/B) *	1.08	195.02
Diluted earnings per share of face value of Rs.10/- each (A/C)	1.08	195.02

*includes 32,011,266 shares (31 March 2015 566,758) equity shares of Rs. 10 each, pending allotment (refer note 5)

39 Derivative instruments and unhedged foreign currency exposure

The Company has designated its foreign currency derivative instruments as Cash Flow Hedges and Fair Value Hedges since they meet the hedging criteria. Derivatives outstanding as at the balance sheet date including the hedge of expected future revenue are as given below:

Particulars

Forward contracts outstanding at the balance sheet date

Sell Covers	31 March 2016		31 March 2015	
	Amount in millions (respective Currency)	Rs. in millions	Amount in millions (respective Currency)	Rs. in millions
USD/INR	62	4,063	200	12,519
CAD/INR	3	158	29	1,420
CAD/USD	-	-	4	171
AUD/INR	4	194	1	38
CHF/INR	1	52	12	782
CHF/USD	-	-	2	109
EUR/INR	-	-	1	27
GBP/INR	7	708	19	1,714
GBP/USD	-	-	1	46
JPY/INR	51	30	368	192
JPY/USD	163	96	250	130
OMR/INR	1	88	-	-
Total		<u>5,389</u>		<u>17,148</u>

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Mark to market ('MTM') gain aggregating to Rs. 57 (previous year Rs. 505) has been included in Hedging Reserve under Shareholders' funds. MTM gain aggregating to Rs. 663 (previous year Rs. 1,148) has been recognised in the consolidated statement of profit and loss.

Unhedged foreign currency exposures as on 31 March 2016

Particulars	Cash and cash equivalents	Trade receivables	Loans and advances	Other assets	Trade Payables	Short-term borrowings	Other liabilities	Provisions
USD	379	544	-	7	126	-	-	-
EUR	36	34	-	-	558	-	-	-
SGD	4	1	-	-	2	-	-	-
JPY	127	533	19	99	493	-	28	74
GBP	12	11	-	-	80	-	-	-
CAD	11	6	1	-	2	-	-	2
AUD	4	1	-	-	1	-	1	-
MYR	5	1	2	1	0	-	-	-
CHF	6	3	1	2	2	-	2	1
SEK	3	16	-	-	15	-	2	1
CNY	13	2	-	-	2	-	-	-
DKK	-	-	-	-	4	-	-	-
MXN	9	4	2	-	7	-	2	-
AED	2	44	-	-	72	-	-	-
ZAR	-	-	-	-	-	-	-	-
PLN	-	-	-	-	1	-	-	-
HKD	-	-	-	-	0	-	-	-
OMR	-	172	-	-	-	-	-	-
HUF	-	5	-	-	20	-	-	-

Unhedged foreign currency exposures as on 31 March 2015

Particulars	Cash and cash equivalents	Trade receivables	Loans and advances	Other assets	Trade Payables	Short-term borrowings	Other liabilities	Provisions
USD	11	74	2	-	5	52	-	4
EUR	6	4	-	-	2	-	-	-
SGD	-	1	-	-	1	-	-	-
JPY	116	955	20	37	127	-	64	68
GBP	-	13	-	-	4	-	-	-
CAD	9	15	2	1	4	-	-	3
AUD	3	2	1	-	2	-	-	-
MYR	5	1	1	1	-	-	-	-
CHF	4	4	1	1	2	-	1	2
SEK	7	25	-	-	3	-	2	1
CNY	2	1	-	-	2	-	-	1
DKK	-	3	-	-	3	-	-	-
MXN	6	3	4	-	2	-	39	-
AED	1	-	-	-	1	-	-	-
ZAR	2	1	-	-	1	-	-	-
HUF	-	-	-	-	67	-	-	-

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

40 Capital commitments and contingent liabilities

	31 March 2016	31 March 2015
(a) Capital Commitments		
Estimated value of contracts on capital account remaining to be executed (net of advances Rs. 155) - (previous year Rs. 444)	1,086	1,421
	<u>1,086</u>	<u>1,421</u>

(b) Contingent liabilities

The Company has analysed various ongoing litigations with the statutory authorities and concluded that the likelihood of an outflow of resources to settle litigations is remote. Accordingly, these litigations have not been disclosed as contingent liabilities.

41 Auditors' remuneration

	31 March 2016	31 March 2015
Statutory audit	16	6
Tax audit	7	1
Other services	2	3
Out of pocket expenses	1	1
	<u>26</u>	<u>11</u>

42 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

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 2016 has been made in the financial statements based on the information received and available with the Company.

	31 March 2016	31 March 2015
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	10	-
- Interest	-	-
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	113	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of the year	20	-
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	7	-

The above information has been given in respect of such vendors to the extent they could be identified as Micro and Small enterprises on the basis of information available with the Company.

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

43 Transactions in foreign currency (accrual basis)

	31 March 2016	31 March 2015
a) Foreign currency earnings		
Revenue from software services	97,474	34,005
Other income	516	287
	<u>97,990</u>	<u>34,292</u>
b) Value of imports calculated on CIF (cost, insurance and freight) basis		
Capital goods	1,332	764
Software consumables	5	6
	<u>1,337</u>	<u>770</u>
c) Expenditure in foreign currency		
Employee benefits expense	2,971	2,766
Other expenses		
Sub-contracting expenses	2,145	2,848
Power	4	4
Rent	87	80
Rates and taxes	25	23
Insurance	33	11
Repairs and maintenance	343	23
Computer maintenance	377	38
Software and hardware expenses	77	47
Advertisement and sales promotion	14	31
Merger and reorganization expenses	-	-
Travel and conveyance	1,097	162
Communication costs	92	64
Recruitment and training	345	22
Legal and professional fees	204	121
Outside consultancy charges	534	456
Bank charges	13	6
Group management fees	453	-
Miscellaneous expenses	126	83
Finance costs	8	28
	<u>8,948</u>	<u>6,813</u>

44 Corporate Social Responsibility (CSR)

In accordance with 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 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. Amounts 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 254 million. The total expenditure incurred on 'Corporate Social Responsibility Activities' for the current year is Rs. 150 million (previous year Rs. 36 million)

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Particulars	In cash	Yet to be paid	Total
(i) Construction/acquisition of any assets	-	-	-
(ii) CSR Programs	145	-	145
(iii) Other expenses allowed under CSR (FY 14-15)	5	-	5
Total	150	-	150

45 Overdue receivables for export services

As on 31 March 2016, the Company has receivables from group companies amounting to Rs. 221 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 has already filed for extension of time for collecting the dues of Rs. 195 till 31 December 2016 with authorised dealer and is awaiting confirmation and the balance of Rs. 26 has been realised subsequent to the year end.

46 Particulars of subsidiary companies

Name of the subsidiary	Country of incorporation	Proportion ownership
Mascot Systems GmbH	Germany	100%
IGATE Infrastructure Management Services Limited	India	100%
IGATE Global Solutions Mexico S.A. de C.V.	Mexico	100%
Patni Computer Systems Indonesia Inc.	Indonesia	100%
PATNI Computer Systems GmbH	Germany	100%
IGATE Singapore Pte Ltd.	Singapore	100%
IGATE Computer Systems (Suzhou) Co., Ltd.	China	100%
IGATE Computer Systems Japan Inc.	Japan	100%
PCS Computer Systems Mexico SA de CV	Mexico	100%

All the above subsidiaries are 100% held and controlled by IGS. There has been no change shareholding during the current and previous year.

Additional information pursuant to paragraph 2 of the general instructions for the preparation of consolidated financials statements

Particulars	Net Assets		Share in Profit or loss	
	Amount	As a % of consolidated profit/loss	Amount	As a % of consolidated profit/loss
Parent				
IGATE Global Solutions Limited	25,730	96.10%	(56)	-32.00%
Subsidiaries				
Indian				
IGATE Infrastructure Management Services Limited	6	0.02%	(20)	-11.43%
Foreign				
IGATE Global Solutions Mexico S.A. de C.V.	56	0.21%	12	6.86%
PATNI Computer Systems GmbH	515	1.92%	25	14.29%
IGATE Singapore Pte Ltd.	360	1.34%	71	40.57%
IGATE Computer Systems (Suzhou) Co., Ltd.	106	0.40%	18	10.29%
IGATE Global Solutions Japan	-	0.00%	30	17.14%
IGATE Computer Systems Mexico S.A. de C. V	-	0.00%	95	54.29%
Total	26,773	100%	175	100%

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

47 Interest in joint ventures

Capgemini India Private Limited (amalgamated with IGATE Global Solutions Limited effective 1 April 2015) holds a joint venture in Thesys Technologies LLC. Pursuant to the requirement of Sec 129(3) of the Companies Act, 2013, the table below summarises the salient features of the financial statements of the joint venture.

	31 March 2016 United Arab Emirates (UAE)
Country of incorporation	
Ownership Interest	49%
The Company's share of the assets and liabilities -	
Equity and liabilities	
Share capital	2
Reserves and surplus	5
Current liabilities	8
	<hr/> 15 <hr/>
Assets	
Non current assets	-
Current assets	15
	<hr/> 15 <hr/>
The Group share of the income and expenses -	
Revenue	41
Less : Expenses	99
	<hr/> (58) <hr/>
Profit / loss before tax	
Less : tax expense	-
	<hr/> - <hr/>
Profit / (loss) after tax	<hr/> (58) <hr/>

48 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 2016). 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.

49 Employee stock compensation plans

- (i) The employees of the Company are entitled to participate in share based awards issued by IGATE Corporation the ultimate holding company till 30 June 2015. Costs pertaining to share based awards issued to the Company's employee are cross charged by the ultimate holding company. Such expenses are accounted for as part of employee benefits and the liability to the ultimate holding company is settled in cash.

Pursuant to the acquisition of IGATE Corporation by Capgemini S.A., the Company's employees are now entitled to participate in share based awards issued by Capgemini S.A., the ultimate holding company with effect from 1 July 2015. Although the share based awards are issued and administered by Capgemini S.A., the Company is required to settle the obligation to the employee directly in cash.

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

Particulars	2006 Plan	
	31 March 2016	31 March 2015
Details of meeting	25-May-06	25-May-06
Maximum number of shares to be granted shares	14.7 million shares	14.7 million
Grant date	NA	Multiple date
Performance assessment dates	NA	NA
Vesting period	4 years as from the grant date	4 years as from the grant date
Mandatory lock-in period effective as from the vesting date	NA	NA
Total number of options granted	Nil	529,750
Options vested	4,500	13,751
Options exercised	108,035	56,056
Options forfeited or canceled during the year	11,000	109,604
Options Unexercised	NA	NA
Options lapsed	Nil	Nil
Total number of options in force	817,749	936,784
Variation in terms of ESOP	NA	NA
Total number of shares arising as a result of exercise of Options	108,035	56,056
Exercise price	\$15.49	\$14.21
Weight average remaining contractual life (In year)	NA	8.37
Awards granted	Nil	Nil
Awards released	338,040	80,530
Awards forfeited or canceled during the year	9,000	56,850
Total number of Awards in force	369,850	716,890
<u>Performance share based awards (included above):</u>		
Awards granted	Nil	Nil
Awards forfeited or canceled during the year	8,000	47,200
Awards lapsed	Nil	148,000
Awards released	Nil	Nil
Total number of options in force	37,118	45,118
Fair values with performance conditions		
External (Euro)	NA	NA
Internal (Euro)	NA	NA
% of external	NA	NA
% of internal	NA	NA
Money realised by exercise of Options	NA	NA
Other conditions:		
In employment within the Group at the vesting date	Yes	Yes
Valuation model used to calculate the fair value of options	- Monte Carlo for performance shares with external (market) conditions - Black & Scholes for shares granted without conditions or with internal performance conditions	- Monte Carlo for performance shares with external (market) conditions - Black & Scholes for shares granted without conditions or with internal performance conditions
Free shares (per share and in euros)	NA	NA
Performance shares	NA	NA
Share price at grant date	NA	NA

The Company has used fair value method for accounting of the above employee stock options.

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

- (ii) Capgemini SA, the ultimate holding company has approved allocation of performance shares of Capgemini SA to the employees of Capgemini India Private Limited (transferor company) and its French and non French subsidiaries, employees. These shares have been allocated to the employees under three plans as detailed below. The grant of the above performance and employment linked shares relate to the share capital of the holding company and shall have no impact on the share capital of the subsidiary companies whose employees are also entitled to the share allocation. Valuation was done by the parent company using the below mentioned assumptions. The status of the plans pursuant to amalgamation have been summarised below -

Particulars	2012 Plan 31-Mar-16	2013 Plan 31-Mar-16	2014 Plan 31-Mar-16
Details of the Meeting	General Shareholder's Meeting (24 May 2012)	General Shareholder's Meeting (24 May 2012)	General Shareholder's Meeting (24 May 2013)
Maximum number of shares to be granted	1.5% of the share capital of the ultimate holding company on the date of the Board of Directors' decision i.e. a maximum of 2,426,555 shares	1.5% of the share capital of the ultimate holding company on the date of the Board of Directors' decision i.e. a maximum of 2,426,555 shares	1% of the share capital of the ultimate holding company on the date of the Board of Directors' decision i.e. a maximum of 1,590,639 shares
Grant date	12-Dec-12	20-Feb-13	30-Jul-14
Performance assessment dates	At the end of the first and second calendar years following the grant date	At the end of the first and second calendar years following the grant date	Three years for the internal performance condition and two years for the external performance condition
Vesting period	4 years and 1/2 month as from the grant date	4 years and 1 week as from the grant date	4 years as from the grant date
Mandatory lock-in period effective as from the vesting date	NA	NA	NA
Total number of shares granted taken over pursuant to amalgamation	42,000	44,600	86,000
Options vested	NA	NA	NA
Options exercised	NA	NA	NA
Options forfeited or canceled during the year	4,000	4,300	4,000
Options Unexercised	NA	NA	NA
Options lapsed	NA	NA	NA
Total number of options in force	38,000	40,300	82,000
Variation in terms of ESOP	NA	NA	NA
Total number of shares arising as a result of exercise of Options	-	-	-
Exercise price	-	-	-
Weight average remaining contractual life (In year)	0.7	0.9	2.3
Fair values with performance conditions			

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

External (Euro)	19.18	21.55	33.46
Internal (Euro)	28.67	32.14	48.26
% of external	50%	50%	50%
% of internal	50%	50%	50%
Money realised by exercise of Options	NA	NA	NA
Main market conditions at the grant date:			
Volatility	25.80%	38.70%	26.33%
Risk-free interest rate	0.35% - 0.98%	0.59% - 1.28%	0.34%-0.81%
Expected dividend rate	3.00%	3.00%	2.31%
Other conditions:			
In employment within the Group at the vesting date	Yes	Yes	Yes
Valuation model used to calculate the fair value of options	- Monte Carlo for performance shares with external (market) conditions	- Monte Carlo for performance shares with external (market) conditions	- Monte Carlo for performance shares with external (market) conditions
Range of fair values in euros			
Free shares (per share and in euros)	NA	NA	NA
Performance shares (per share and in euros)	14.35 – 28.67	16.18 – 32.14	26.46-48.26
Share price at the grant date (in euros)	33.15	36.53	53.35
Fair Valuation cost	18	21	46

The Company has used fair value method for accounting of the above employee stock options.

50 Previous year reclassification

The financial statements for the previous year ended 31 March 2015 were audited by a firm other than B S R & Co. LLP. The following regroupings / reclassifications have been made to the comparatives in the current year:

Particulars	Amount
Reclassification of provision for current tax (net of advance tax) from long-term provisions to short-term provisions	340
Reclassification of provision for current tax (net of advance tax) from long-term provisions to advance tax (net of current tax) Long term loans and advances	200
Reclassification of liabilities towards employee benefits from trade payables to other current liabilities	471
Reclassification of advance tax recoverable (net of provision for tax) from short-term loans and advances to long- term loans and advances	393
Reclassification of billing in advance from trade receivables to other current liabilities	97
Provision for volume discount disclosed under short-term provisions now adjusted against trade receivables	269

Notes to consolidated financial statements for the year ended 31 March 2016 (Contd.)

(Currency : INR in millions)

51 Share buy back

In accordance with Section 391 of the Companies Act, 1956 and pursuant to approval of the shareholders of Capgemini India Private Limited (transferor company) vide their meeting dated 12 February 2014, the Company bought-back 200,254 equity shares from their shareholders. On 17 June 2015, the Company transferred Rs. 13,195 to Kanbay (Asia) Limited and Rs. 303 to Capgemini Financial Service International INC pursuant to the share buy back program.

Details of the buy-back are as under:

Particulars	
Date of Shareholders' Meeting	12-Feb-14
Number of shares bought back	200,354
Face value of shares purchased	100
Consideration paid towards buy back	13,499
Share capital reduction %	20
Surplus in Statement of Profit and Loss account utilised	13,499
Amount transferred to Capital redemption reserve on extinguishment of Share capital	20

52 Pursuant to the various schemes of amalgamation referred to above (see notes 29 to 32) which have been accounted for with effect from 1 April 2015, the comparatives are not strictly comparable to the current year.

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 : November 23, 2016

For and on behalf of the Board of Directors of
IGATE Global Solutions Limited
CIN - U85110PN1993PLC145950

Sujit Sircar
Director
DIN - 00026417

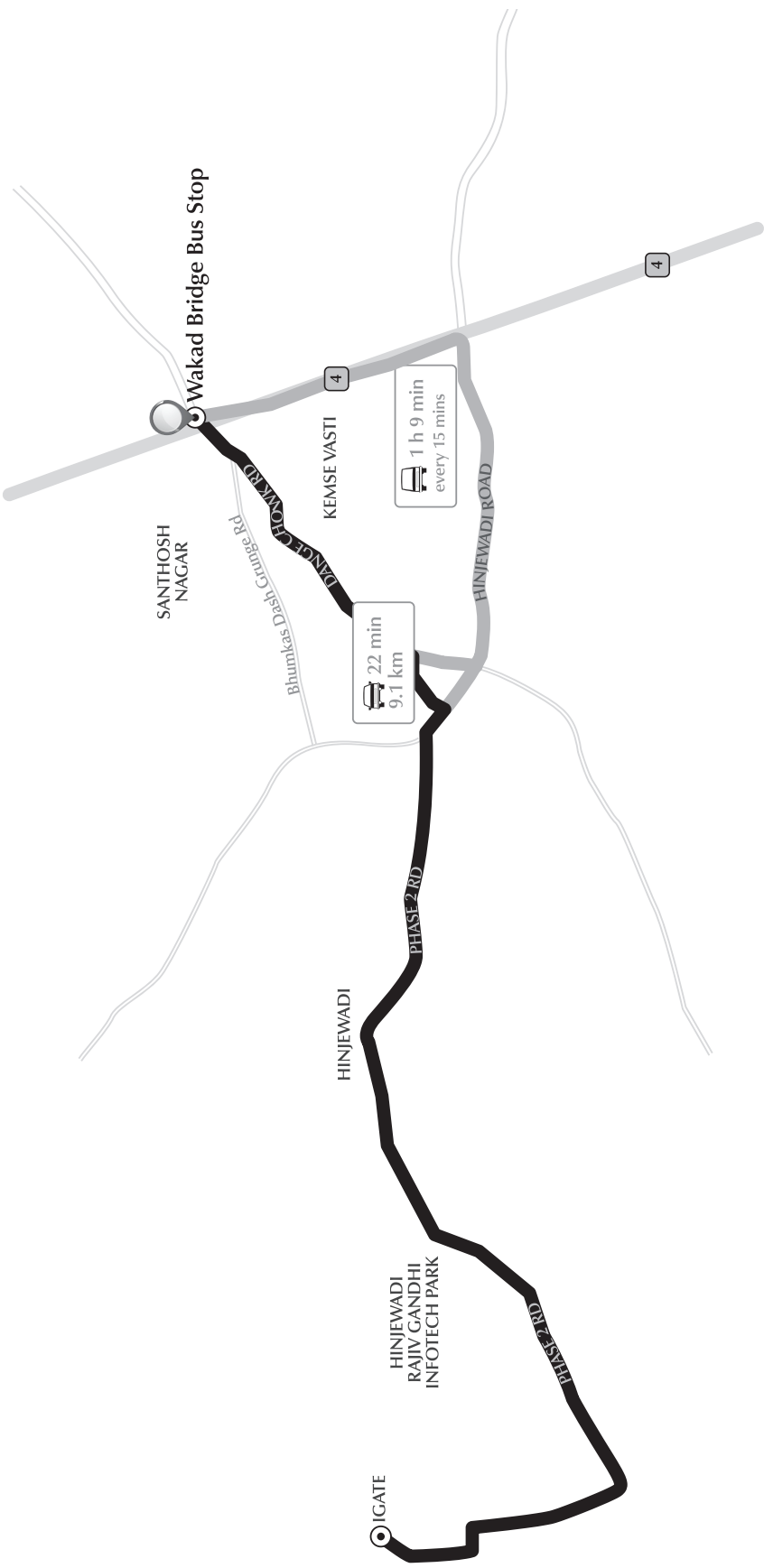
Mukund Srinath
Company Secretary

Place : Mumbai
Date : November 23, 2016

R. Ramaswamy
Director
DIN - 00038146

Nagesh Kumar M
Chief Financial Officer

ROUTE MAP FOR MEETING VENUE





IGATE Global Solutions Limited

Regd. office: No.14, Rajiv Gandhi Infotech Park, Hinjawadi Phase III, MIDC-SEZ, Village Man, Taluka Mulshi, Pune - 411 057 Maharashtra
CIN: U85110PN1993PLC145950; E-mail: dlcompanysecretary.ig@capgemini.com; Website: www.in.capgemini.com
Telephone: +91-20-66991000; Fax: +91-20-66995050

Twenty Third Annual General Meeting Proxy Form Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration), Rules, 2014]

Name of the member(s):		E-mail Id:	
Registered address:		Folio No/Client Id:	
		DP Id:	

I/We, being the member(s) of IGATE Global Solutions Limited holding shares, hereby appoint

1. Mr./Ms. Address.....
e-mail id: Signature , or failing him/her
2. Mr./Ms. Address.....
e-mail id: Signature , or failing him/her
3. Mr./Ms. Address.....
e-mail id: Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Third Annual General Meeting of the Company, to be held on Thursday, the 29th day of December, 2016 at 10.00 am at No.14, Rajiv Gandhi Infotech Park, Hinjawadi Phase-III, MIDC-SEZ, Village Man, Taluka Mulshi, Pune - 411 057, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description	Tick the relevant item for which the proxy is appointed
Ordinary Business		
1	Adoption of the Audited Financial Statements of the Company for the year ended March 31, 2016 and the Independent Auditors Report thereon and the report of the Board of Directors.	
2	Re-appointment of Mr. Sujit Sircar (DIN: 00026417) as a Director, who retires by rotation.	
3	Ratification of the appointment of Messrs. B S R & Co. LLP. Chartered Accountants, as the Statutory Auditors of the Company.	
Special Business		
4	Approval of the revision/ratification of the remuneration paid to Mr. Sujit Sircar (DIN00026417) Whole time Director (WTD) of the Company in excess of 5% of the net profits of the Company and to waive the excess sum refundable by the WTD to the Company.	

Signed this.....day of 2016

Affix
Revenue
Stamp

Signature of Shareholder(s)

- Notes:** a. Proxies in order to be effective must be duly filled, stamped and signed and must reach the Company's Registered Office not less than 48 hours before the Meeting. A proxy need not be a member of the Company.
b. Please note that a single proxy cannot represent more than 50 number of members and more than 10% of the voting rights of the Company.



IGATE Global Solutions Limited

Regd. office: No.14, Rajiv Gandhi Infotech Park, Hinjawadi Phase III, MIDC-SEZ, Village Man, Taluka Mulshi, Pune - 411 057 Maharashtra
CIN: U85110PN1993PLC145950; E-mail: dlcompanysecretary.ig@capgemini.com; Website: www.in.capgemini.com
Telephone: +91-20-66991000; Fax: +91-20-66995050

Twenty Third Annual General Meeting Attendance Slip

Folio No.:		DP ID*:		Client ID*:	
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* Applicable for equity shareholders holding equity shares in dematerialized form

I hereby record my presence at the Twenty Third Annual General Meeting of the Company at 10.00 am on Thursday , 29th December, 2016 at No.14, Rajiv Gandhi Infotech Park, Hinjawadi, Phase-III, MIDC-SEZ, Village Man, Taluka Mulshi , Pune- 411 057, Maharashtra , India

Name of the Shareholder (In Block Letters):

Signature of the Shareholder or Proxy:

- Notes:** 1. Please complete this attendance slip and hand it over at the entrance of the hall
2. Members are requested to bring their copies of Annual Report to the Meeting.

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