Annual Report

2020-21

Capgemini Technology Services India Limited

Board of Directors

MR. SRINIVASA RAO KANDULA
Wholetime Director and Chairman

MR. ASHWIN YARDI
Wholetime Director and Chief Executive Officer

MS. ARUNA JAYANTHI
Non-Executive Director

MR. PAUL HERMELIN
Non-Executive Director

MR. HUBERT GIRAUD
Non-Executive Director

MR. RAMASWAMY RAJARAMAN
Non-Executive Director and Independent Director

MS. KALPANA RAO
Non-Executive Director and Independent Director

MR. AIMAN EZZAT
Additional Director

MS. MARIA PERNAS
Additional Director

MR. SUJIT SIRCAR
Chief Financial Officer

MS. ARMIN BILLIMORIA
Company Secretary

Board Committees

Audit Committee
Ramaswamy Rajaraman: Chairperson
Kalpana Rao
Srinivasa Rao Kandula

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

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

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

Auditors
Price Waterhouse Chartered Accountants LLP
Firm Registration no: 012754N/ N500016
252 Veer Savarkar Marg, Shivaji Park,
Dadar (West)
Mumbai – 400028

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

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NOTICE FOR THE 28TH ANNUAL GENERAL MEETING

Notice is hereby given that Twenty Eighth Annual General Meeting (AGM) of the Members of Capgemini Technology Services India Limited ("Company") will be held on Wednesday, 29 September 2021 at 3:00 P.M. through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

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

1. A. To consider and adopt: the Audited Standalone Financial Statements of the Company for the Financial Year ended 31 March 2021 together with the Reports of the Board of Directors and the Auditor thereon; and

   B. the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31 March 2021 together with the Report of the Auditor therein.

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

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

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

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

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

SPECIAL BUSINESS:

7. To appoint Mr. Aiman Ezzat (DIN: 08973737) as a Non-Executive Director of the Company and to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to Sections 152, 161 of the Act, and the rules made thereunder and other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force), and the Articles of Association of the Company, Mr. Aiman Ezzat (DIN: 08973737), who was appointed as an Additional Director by the Board of Directors of the Company and who holds office until the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying his intention to propose Mr. Aiman Ezzat as a candidate for the office of the Director of the Company, be and is hereby appointed as Non-Executive Director of the Company liable to retire by rotation."

   "RESOLVED FURTHER THAT any Director of the Company or Company Secretary be and are hereby severally authorized to sign and submit necessary forms, applications, undertakings, drafts, authorizations, etc., to any statutory authorities or officers and to do all such acts, deeds and things which are necessary to give effect to the aforesaid resolution."

8. To appoint Ms. Maria Pernas (DIN: 09283566) as a Non-Executive Director of the Company and to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to Sections 152, 161 of the Act, and the rules made thereunder and other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force), and the Articles of Association of the Company, Ms. Maria Pernas (DIN: 09283566), who was appointed as an Additional Director by the Board of Directors of the Company and who holds office until the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying her intention to propose Ms. Maria Pernas as a candidate for the office of the Director of the Company, be and is hereby appointed as Non-Executive Director of the Company liable to retire by rotation."

   "RESOLVED FURTHER THAT any Director of the Company or Company Secretary be and are hereby severally authorized to sign and submit necessary forms, applications, undertakings, drafts, authorizations, etc., to any statutory authorities or officers and to do all such acts, deeds and things which are necessary to give effect to the aforesaid resolution."

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

Armin Billimoria
Company Secretary
FCS: 8637

Date: 06 September 2021
Place: Mumbai

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

Notes:

1) Pursuant to COVID 19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated 13 January 2021 read together with circulars dated 05 May 2020, 08 April 2020 and 13 April 2020 (collectively referred to as "MCA Circulars") permitted convening of the AGM through VC or OAVM without physical presence of Members at a common venue. In accordance with the provisions of Companies Act, 2013 and MCA Circulars, AGM is being held through VC or OAVM.

2) The explanatory statement pursuant to Section 102(1) of the Act relating to the Special Business to be transacted at the AGM is annexed hereto.

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

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

5) Institutional investors, who are Members of the Company are encouraged to attend and vote at the Twenty Eighth AGM of the Company through VC or OAVM.

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

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

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

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

10) All documents referred to in the Notice will be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. 29 September 2021. Members seeking to inspect such documents can send an email to cgcompanysecretary.in@capgemini.com.

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

12) Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 23 September 2021 to Wednesday, 29 September 2021 (both days inclusive).

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

14) In compliance with MCA Circulars, Notice of the AGM along with Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with Company's Registrar and Share Transfer Agent, KfinTech as on Friday, 03 September 2021. The notice of the AGM is also hosted on the website of the Company https://www.capgemini.com/in-en/what-we-do/group-overview/capgemini-technology-services-india-limited-formerly-known-as-igate-global-solutions-limited/ and will remain on the website till the date of the AGM.

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

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

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

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

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

18) The recorded transcript of the AGM on 29 September 2021, shall be maintained by the Company and also be made available on the website of the Company at the earliest soon after the conclusion of the Meeting.

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

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

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

(i) E-voting

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

The Company has appointed Mr. Shailesh Indapurkar, as scrutinizer for conducting the e-voting process in a fair and transparent manner. The e-voting rights of the Members/ beneficiary owners shall be reckoned on the equity shares held by them as on Thursday, 23 September 2021 being the cut-off date for the purpose. Members of the Company holding shares either in physical or in dematerialized form as on the cut-off date may cast their votes electronically.

INSTRUCTIONS FOR E-VOTING

Step 1: Access to Depositories e-voting system in case of individual Members holding shares in demat mode.

Step 2: Access to KFin e-voting system in case of Members holding shares in physical and non-individual Members in demat mode.

Details on Step 1 are mentioned below:

Login for remote e-voting for Individual Members holding equity shares in demat mode:

Type of Member	**Login Method**
Individual Members holding securities in demat mode with NSDL	**Existing Internet-based Demat Account Statement ("IDeAS") facility Users:** 1. Visit the e-services website of NSDL https://eservices.nsdl.com either on a personal computer or on a mobile. 2. On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password. 3. After successful authentication, Members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed. 4. Click on company name i.e. "Capgemini Technology Services India Limited" or e-voting service provider i.e. KFin. 5. Members will be re-directed to KFin's website for casting their vote during the remote e-voting period and voting during the AGM. **Those not registered under IDeAS:** 1. Visit https://eservices.nsdl.com for registering. 2. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Visit the e-voting website of NSDL https://www.evoting.nsdl.com/. 4. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. 5. Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a Verification Code as shown on the screen. 6. After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page.

	7. Click on company name i.e. Capgemini Technology Services India Limited or e-voting service provider name i.e KFin after which the Member will be redirected to e-voting service provider website for casting their vote during the remote e-voting period and voting during the AGM. 8. Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Members holding securities in demat mode with CDSL	**1. Existing user who have opted for Electronic Access To Securities Information ("Easi / Easiest") facility:** i. Visit https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com ii. Click on New System Myeasi. iii. Login to Myeasi option under quick login. iv. Login with the registered user ID and password. v. Members will be able to view the e-voting Menu. vi. The Menu will have links of KFin e-voting portal and will be redirected to the e-voting page of KFin to cast their vote without any further authentication. **2. User not registered for Easi / Easiest** i. Visit https://web.cdslindia.com/myeasi/Registration/EasiRegistration for registering. ii. Proceed to complete registration using the DP ID, Client ID (BO ID), etc. iii. After successful registration, please follow the steps given in point no. 1 above to cast your vote. **3. Alternatively, by directly accessing the e-voting website of CDSL** i. Visit www.cdslindia.com ii. Provide demat Account Number and PAN iii. System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account. iv. After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. Capgemini Technology Services India Limited or select KFin. v. Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication.
Individual Members login through their demat accounts / Website of Depository Participant	i. Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility. ii. Once logged-in, Members will be able to view e-voting option. iii. Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature. iv. Click on options available against Capgemini Technology Services India Limited or KFin. v. Members will be redirected to e-voting website of KFin for casting their vote during the remote e-voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through NSDL / CDSL:

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: **1800 1020 990** and **1800 22 44 30**
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at **022- 23058738** or **022-23058542-43**

Details on Step 2 are mentioned below:

Login method for e-voting for Members other than Individual's Members holding shares in demat mode and Members holding securities in physical mode:

a) Launch internet browser by typing the URL: https://emeetings.kfintech.com/.

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

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

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

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

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

g) On successful login, the system will prompt you to select the EVENT i.e., Capgemini Technology Services India Limited – "AGM" and click on "Submit".

h) On the voting page (which will be different for each resolution), enter the number of shares as on the cut-off date, Thursday, 23 September 2021 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) Members holding multiple folios / Demat accounts shall need to use the voting process separately for each folio / Demat account.

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

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

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

m) The Portal will be open for voting from Sunday, 26 September 2021 at 9.00 a.m. and ends on Tuesday, 28 September 2021 at 5.00 p.m. (both days inclusive). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on Thursday, 23 September 2021, may cast their vote electronically. Those Members who have acquired shares after 03 September 2021 i.e. cut-off date for sending of Annual Report and holding shares as on the e-voting cut-off date i.e. Thursday, 23 September 2021, may approach the Company/ KfinTech for issuance of the User ID and Password for exercising their right to vote by electronic means and attend the meeting through VC or OAVM.

n) In case of any queries contact KfinTech at Tel No. 1800 309 4001 (toll free).

(ii) Joining AGM through VC or OAVM

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

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

   a) Launch internet browser (Chrome/Firefox/Safari/Internet Explorer 11) by typing the URL: https://emeetings.kfintech.com/. Members are encouraged to join the Meeting through laptop with google chrome web browser for better experience.

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

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

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

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

   f) Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches. Members will be required to grant access to the web-cam to enable two-way video conferencing.

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

3) Since many Members will be present through VC or OAVM and to regulate the AGM in efficient manner, Members who would like to express their views or ask questions during the AGM are requested to register themselves by logging on to https://emeetings.kfintech.com/ and clicking on the ‘Speaker Registration’ option available on the screen after log in. The Speaker Registration will be open from Sunday, 26 September 2021 (9:00 a.m.) to Tuesday, 28 September 2021 (5:00 p.m.). All those Members who are registered will be given preference to express their views or ask questions over other Members depending upon the availability of time for smooth and efficient conduct of the AGM.

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

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

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

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

   b) Members to click on the “Insta Poll” icon to reach the resolution page and follow the instructions to vote on the resolutions.

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

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

6) Members who need assistance before or during the AGM, can contact KFinTech on einward.ris@kfintech.com or call on toll free number 1800 309 4001. Kindly quote your name, DP ID-Client ID / Folio no. and e-voting Event Number in all your communications.

22) General Instructions:

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

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

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

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

Date: 06 September 2021
Place: Mumbai

Armin Billimoria
Company Secretary
FCS: 8637

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

EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013)

Item no. 7

The Board of Directors (based on the recommendation of the Nomination and Remuneration Committee) had appointed Mr. Aiman Ezzat (DIN: 08973737) as an Additional Director on the Board of the Company with effect from 19 January 2021 to hold office up to the date of the Annual General Meeting.

The Company has received notice in writing pursuant to Section 160 of the Act, from a Member along with a deposit of INR 1,00,000/- proposing the candidature of Mr. Aiman Ezzat for the office as a Non-Executive Director of the Company.

The Company has received from Mr. Aiman Ezzat (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, and (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub Section (2) of Section 164 of the Act.

Additional information with respect to Mr. Aiman Ezzat as required under the secretarial standards is as follows:

Name	Mr. Aiman Ezzat
Age	60 years
Qualifications	Master of Science in chemical engineering from École Supérieure de Chimie, Physique et Électronique de Lyon (France) and MBA from Anderson School of Management at UCLA
Experience	36 years
	Mr. Aiman Ezzat has been Chief Executive Officer of Capgemini SE since 20 May 2020. Mr. Aiman Ezzat was Chief Operating Officer of Capgemini SE from 01 January 2018 to 20 May 2020 and was Chief Financial Officer of the Group from December 2012 to the end of May 2018. From December 2008 to 2012, he led the Financial Services Global Business Unit (GBU) after serving as Chief Operating Officer from November 2007. Mr. Aiman Ezzat also served as Capgemini's Deputy Director of Strategy from 2005 to 2007. Before joining Capgemini, from 2000 to 2004, Mr. Aiman Ezzat served as Managing Director of International Operations at Headstrong, a global business and technology consultancy, where he worked with Financial Services clients in Asia, North America and Europe. This came after ten years at Gemini Consulting (Gemini Consulting was the former brand of the strategic and transformation consulting arm of the Capgemini group, which subsequently became Capgemini Consulting and then Invent), where he held a number of roles including Global Head of the Oil, Gas and Chemicals practice.
Terms & Conditions of appointment / reappointment	As mutually agreed between the Company and Mr. Aiman Ezzat
Details of remuneration sought to be paid	Nil
Remuneration, if any, last drawn	Nil
Date of first appointment on the Board	19 January 2021
Shareholding in the Company	Nil
Relationship with other Directors, managers and other key managerial personnel of the Company	None
No. of meetings of the Board attended during the year	4 out of 4
Directorship in other companies	a. Capgemini SE b. Capgemini North America, Inc. c. Capgemini America, Inc. d. Capgemini International BV e. Purpose Global PBC f. Sogeti Nederland BV g. Sogeti France 2005 SAS h. Capgemini Latin America SAS i. Capgemini Services SAS
Membership / Chairmanship of committees of other Boards	None

No Director, key managerial personnel or their relatives, except Mr. Aiman Ezzat to whom the resolution relates, are concerned or interested in the resolution.

The Board recommends the resolution set forth in Item no. 7 for approval of the Members.

Item no. 8

The Board of Directors (based on the recommendation of the Nomination and Remuneration Committee) had appointed Ms. Maria Pernas (DIN: 09283566) as an Additional Director on the Board of the Company with effect from 23 August 2021 to hold office up to the date of the Annual General Meeting.

The Company has received notice in writing pursuant to Section 160 of the Act, from a Member along with a deposit of INR 1,00,000/- proposing the candidature of Ms. Maria Pernas for the office as a Non-Executive Director of the Company.

The Company has received from Ms. Maria Pernas (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, and (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub Section (2) of Section 164 of the Act.

Additional information with respect to Ms. Maria Pernas as required under the secretarial standards is as follows:

Name	Ms. Maria Pernas
Age	49 years
Qualifications	Master of Laws (LL.M.). Universidad San Pablo-CEU - Complutense University of Madrid (Spain). Master of European Union Law. Universidad San Pablo CEU, Madrid (Spain).
Experience	26 years
	Maria has 26 years of experience in leadership positions in large international corporations, working on all kind of Legal and Commercial and Contract Management affairs, both at regional level in multiple jurisdictions (Europe, Middle East, Africa and America among others) and at headquarters level with worldwide responsibilities. Maria has also worked as external legal advisor in a large international firm and has served as Company Secretary and Member of the Board of Directors of companies located in Europe, United States and Africa. Maria joined Capgemini in the year 2017 as Group General Counsel. Prior to Capgemini, Maria was Group General Counsel at Atos for nearly 13 years and General Counsel at SEMA Group for nearly 5 years. Maria started her career in the year 1995 with Price Waterhouse Cooper as External Legal Advisor.
Terms & Conditions of appointment / reappointment	As mutually agreed between the Company and Ms. Maria Pernas
Details of remuneration sought to be paid	Nil
Remuneration, if any, last drawn	Nil
Date of first appointment on the Board	23 August 2021
Shareholding in the Company	Nil
Relationship with other Directors, managers and other key managerial personnel of the Company	None
No. of meetings of the Board attended during the year	NA
Directorship in other companies	a. Capgemini Educational Services BV b. Capgemini Government Solutions LLC
Membership / Chairmanship of committees of other Boards	None

No Director, key managerial personnel or their relatives, except Ms. Maria Pernas to whom the resolution relates, are concerned or interested in the resolution.

The Board recommends the resolution set forth in Item no. 8 for approval of the Members.

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

Date: 06 September 2021
Place: Mumbai

Armin Billimoria
Company Secretary
FCS: 8637

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

BOARD'S REPORT

Dear Members,

The Directors are pleased to present the Twenty Eighth Board's Report and the Audited Financial Statements for the year ended 31 March 2021.

FINANCIAL PERFORMANCE

(INR in million)

	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Income				
Revenue from operations	149,707	147,135	176,483	151,715
Other income	3,590	5,694	3,975	5,776
Total income (I)	153,297	152,829	180,458	157,491
Expenses				
Employee benefit expenses	106,988	98,877	124,233	100,715
Other expenses	15,768	23,363	20,791	24,936
Depreciation and amortization expenses	6,774	6,725	8,366	6,899
Finance costs	718	715	927	746
Total expenses (II)	130,248	129,680	154,317	133,296
Profit before tax (I) –(II)	23,049	23,149	26,141	24,195
Tax expenses				
-Current tax	5,857	5,141	6,663	5,317
-Deferred tax	2,403	2,311	2,577	2,309
Total tax expenses	8,260	7,452	9,240	7,626
Profit for the year	14,789	15,697	16,901	16,569
Total other comprehensive income/(loss), net of tax	2,722	(3,366)	3,314	(3,342)
Total comprehensive income for the year	17,511	12,331	20,215	13,227

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

Operational Review:

During the Financial Year 2020-21, the Revenue and Other Income of your Company was INR 153,297 million as against INR 152,829 million in the previous year, showing a growth of 0.3 % over the previous year. The Company earned Profit for the year of INR 14,789 million as against INR 15,697 million in the previous year.

Share Capital:

The Authorized Capital of the Company as on 31 March 2021 was INR 2,859,000,000 (Indian Rupees Two Thousand Eight Hundred Fifty Nine Million only) divided into 256,100,000 (Two Hundred Fifty Six Million One Hundred Thousand) Equity Shares of INR 10 (Indian Rupees Ten only) each, 50,000,000 (Fifty Million) Equity Shares of INR 1 (Indian Rupee One only) each,10,800,000 (Ten Million Eight Hundred Thousand) Compulsorily Convertible Preference Shares of INR 10 (Indian Rupees Ten only) each and 14,000,000 (Fourteen Million) 5% 10 years Redeemable Non-Cumulative Preference Shares of INR 10 (Indian Rupees Ten only) each.

The Issued and Paid-up Capital of the Company as on 31 March 2021 stood at INR 591,395,000 (Indian Rupees Five Hundred Ninety One Million Three Hundred Ninety Five Thousand only) divided into 59,139,500 (Fifty Nine Million One Hundred Thirty-Nine Thousand Five Hundred) equity shares of INR 10 (Indian Rupees Ten only) each. During the year under review, the Company has not issued any shares, nor granted any stock option or equity shares.

Transfer to General Reserves:

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

Dividend:

Keeping in view the future strategic initiatives of the Company, your Directors do not recommend any dividend for the year ended 31 March 2021.

Particulars of Loans, Guarantees and Investments:

The particulars of loans and investments have been disclosed in the financial statements. There have been no guarantees given under Section 186 of the Companies Act, 2013 (Act) during the year under review.

During the year your Company purchased 100% stake in Solcen Technologies Private Limited and 98.25% stake in Aricent Technologies (Holdings) Limited during the year under review.

Deposits:

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

Subsidiaries:

As on 31 March 2021, your Company has subsidiaries in India:

- The Company has five (5) subsidiaries as on 31 March 2021. There are no associates or joint venture Companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). Annik UK Limited, subsidiary of the Company is under liquidation.
- Dalian Liquidhub Consulting Services Limited Company, (China region), subsidiary of the Company is liquidated with effect from 15 October 2020.
- Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company https://www.capgemini.com/in-en/what-we-do/group-overview/capgemini-technology-services-india-limited-formerly-known-as-igate-global-solutions-limited/.

Amalgamation with wholly owned subsidiaries completed as mentioned herein below:

- Amalgamation of IGATE Infrastructure Management Services Limited with the Company is completed pursuant to National Company Law Tribunal merger order dated 08 June 2021 and effective from 08 July 2021.
- Amalgamation of Liquidhub India Private Limited and Liquidhub Analytics Private Limited with the Company is completed pursuant to National Company Law Tribunal merger order dated 24 June 2021 and effective from 17 August 2021.

In line with the Group's overall business strategy, Scheme of Amalgamation has been filed with National Company Law Tribunal to amalgamate Solcen Technologies Private Limited, wholly owned subsidiary of the Company with the Company.

Appropriate filings have been undertaken. As per Section 129 (3) of the Act, the consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and other relevant provisions of the Act read with the Companies (Indian Accounting Standards) Rules as amended from time to time, forms part of this Annual Report. Pursuant to the provisions of the said Section, a statement containing the salient features of the financial statements of the Company's Subsidiaries, Associates and Joint Ventures in Form AOC-1 is being annexed as Annexure I in this Annual Report.

There have been no material changes in the nature of the business of the subsidiaries during the Financial Year 2020-21. Acquisitions/ divestments, as applicable have been adequately disclosed in the financial statements.

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

In line with the requirements of Indian Accounting Standard 110 as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Act, consolidated financial statements presented by the Company include the financial information of its subsidiaries.

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

Related Party Transactions:

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

Business Activities:

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

During the year, your Company, being foreign owned and controlled, has made following two downstream investments /acquisitions:

I. The Company acquired 128,906,056 shares in Aricent Technologies (Holdings) Limited (ATHL) as per agreement dated 23 November 2020 at INR 333.72 per share. With this acquisition your Company holds 98.25% shares of ATHL.

II. The Company acquired 10,000 shares in Solcen Technologies Private Limited (STPL) as per agreement dated 21 October 2020 at INR 53,584.89 per share. With this acquisition your Company holds 100% shares of STPL.

Corporate Governance:

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

Investor Education and Protection Fund (IEPF):

As per provisions of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, during the year, there were no outstanding unclaimed and un-encashed dividends which were unclaimed for seven consecutive years as per the requirement of IEPF Rules.

The details of the shares already transferred to the IEPF, and the corresponding shares, transferred are available on our website, at https://www.capgemini.com/in-en/what-we-do/group-overview/capgemini-technology-services-india-limited-formerly-known-as-igate-global-solutions-limited/.

Members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. Member requiring any support in this matter can also contact Registrar and Share Transfer Agent, Kfin Technologies Private Limited at einward.ris@kfintech.com.

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

Dematerialization of Shares:

As on 31 March 2021, 99.99% of our shares were held in dematerialized form and the rest in physical form. We request shareholders whose shares are in the physical mode to dematerialize their shares and update their bank accounts and email IDs with the respective depository participants to enable us to provide better service.

Green Initiative:

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

Directors and Key Managerial Personnel:

Independent Directors:

Pursuant to the provisions of Section 149 of the Act, Independent Directors Ms. Kalpana Rao (DIN: 07093566) and Mr. Ramaswamy Rajaraman (DIN: 00038146) have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

Appointments:

During the period under review, following Directors were appointed:

- Mr. Aiman Ezzat was appointed as an Additional Director of the Company on 19 January 2021.
- Ms. Maria Pernas was appointed as an Additional Director of the Company on 23 August 2021.

Resignations:

During the period under review, Mr. Thierry Delaporte, Director resigned on 05 May 2020.

The Board places on record the valuable contributions made by Mr. Thierry Delaporte during his tenure.

Reappointment of Directors:

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

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

Pursuant to the provisions of Section 203 of Companies Act 2013, Mr. Ashwin Yardi, Mr. Srinivasa Rao Kandula, Ms. Aruna Jayanthi, Mr. Sujit Sircar and Mrs. Armin Billimoria are designated as Key Managerial Personnel of the Company as on 31 March 2021.

Due to change in responsibility, designation of Ms. Aruna Jayanthi (DIN: 00817860) has been changed from Executive Director designated as Wholetime Director to Non-Executive Director designated as Director effective 26 May 2021.

Board meetings:

The Board met seven (7) times during the Financial Year 2020-21 i.e. 05 May 2020, 26 June 2020, 27 July 2020, 29 September 2020, 09 October 2020, 19 January 2021 and 19 March 2021 respectively.

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

Committees of the Board and their Composition:

As on 31 March 2021, the Board had four committees, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee.

Audit Committee comprises of three Directors namely Mr. Ramaswamy Rajaraman, Ms. Kalpana Rao and Mr. Srinivasa Rao Kandula. Audit Committee met six (6) times during the Financial Year 2020-21 i.e. 05 May 2020, 15 June 2020, 27 July 2020, 12 November 2020, 19 January 2021 and 29 January 2021 respectively.

Nomination and Remuneration Committee comprises of three Directors namely Ms. Kalpana Rao, Mr. Ramaswamy Rajaraman and Mr. Hubert Giraud. Nomination and Remuneration Committee met three (3) times during the Financial Year 2020-21 i.e. 05 May 2020, 24 July 2020 and 19 January 2021 respectively.

Corporate Social Responsibility Committee comprises of six Directors namely Ms. Kalpana Rao, Mr. Ramaswamy Rajaraman, Mr. Srinivasa Rao Kandula, Mr. Ashwin Yardi, Ms. Aruna Jayanthi and Mr. Hubert Giraud. Corporate Social Responsibility Committee met three (3) times during the Financial Year 2020-21 i.e. 13 May 2020, 03 November 2020 and 23 February 2021 respectively.

Stakeholders Relationship Committee comprises of three Directors namely Mr. Ramaswamy Rajaraman, Ms. Kalpana Rao and Mr. Srinivasa Rao Kandula. Stakeholders Relationship Committee met once (1) during the Financial Year 2020-21 i.e. 21 December 2020.

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

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

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

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

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

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

Directors’ Appointment and Remuneration Policy:

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

Risk Management Policy:

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

Vigil Mechanism:

The Company has established a Code of Ethics and Business Conduct (Code) which is applicable to its Employees and Directors in accordance with the provisions of Section 177(9) and (10) of the Act. The Code also extends to its suppliers and partners. Regular dissemination of the code and trainings are conducted to reinforce the concepts and ensure that any changes are communicated. The Company's vigil mechanism deals with reporting and dealing with instances of fraud and mismanagement and forms part of the Code. The Company has in place a confidential reporting mechanism for any whistle blower to report a matter. Whistle blower policy is uploaded on website of the Company https://www.capgemini.com/in-en/what-we-do/group-overview/capgemini-technology-services-india-limited-formerly-known-as-igate-global-solutions-limited/.

Secretarial Standards:

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

Directors' Responsibility Statement:

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

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 laid down internal financial controls, which are adequate and are operating effectively;

vi. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Human Resources:

Your Company maintains a healthy and productive environment and offers clean and ergonomic workspaces. Human resources are key assets of your Company and your Company invests continuously in imparting latest technology skills together with a range of soft skills to help them in their roles. Your Company has a strong talent management processes to nurture employee careers, groom future leaders and create a high performance workforce. Your Company follows global best HR practices. Your Company's total manpower as on 31 March 2021 was 115,243.

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 not applicable to Unlisted Companies and therefore not enclosed. However, this details will be provided to shareholders on request.

Audit Report:

Price Waterhouse Chartered Accountants LLP (Registration No. 012754N/N500016) were appointed as the Statutory Auditors of the Company in the Annual General Meeting held on 25 September 2020 for a term of five years until the conclusion of 32nd Annual General Meeting of the Company to be held in the year 2025.

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

Secretarial Audit:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed Kaushik M. Jhaveri & Co., Practising Company Secretary (CP: 2592), to undertake Secretarial Audit of the Company for the year ended 31 March 2021. The Secretarial Auditors' Report is enclosed as Annexure IV to the Board's report in this Annual Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Annual Return:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31 March 2021 is available on Company's website https://www.capgemini.com/in-en/what-we-do/group-overview/capgemini-technology-services-india-limited-formerly-known-as-igate-global-solutions-limited/.

Cost Records and Cost Audit:

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

Internal Financial Controls:

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

Corporate Social Responsibility:

The Company has always been committed to Corporate Social Responsibility (CSR) and CSR has been one of the commitments to the society. The Company has been carrying out 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 V of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

COVID-19:

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

Company has also launched a series of initiatives related to COVID-19 awareness, dedicated 24*7 helpline is made available to employees to assist employees with ambulance, diagnostic services, doctor consultation, oxygen concentrator/cylinders, isolation facilities, blood donors. Vaccination program, with a focus on the health and wellness of employees. Company has extended support to the employees impacted by this pandemic, including those who tested positive for COVID-19. The Company would implement a phased and safe return-to-work plan as and when lockdown restrictions are relaxed.

The unprecedented times brought about by COVID 19 has disrupted lives and livelihoods, changing the way people live across the country. Your Company reached out to the various affected communities in collaboration with NGO partners and the government and other stakeholders across 15 cities in India and developed different strategies along with support systems to cater to their needs.

During the initial phase, Company provided PPE kits, masks, face shields, hand sanitizers and other medical materials benefitting 5000+ frontline workers.

The concerns of migrant labourer were making rounds as they were headed back to their hometowns. Company responded to their plight by providing 700,000+ cooked meals to more than 435,000+ families of migrant laborers. While a lot of support were provided to health workers and labourer, Company took a step ahead in supporting 388,000+ families of Cancer affected patients, HIV/AIDS infected families, sex worker's families and other marginalized families by providing them with essential material like dry ration kits and cooked meals.

Company has developed mobile application that could enable Government authorities to track home quarantined members and ensure compliance, allow quarantined individuals to seek immediate support for testing and hospitalization along with access to WHO guidelines and information module in regional languages with additional feature to order essential supplies through this app. A toll-free counselling number with support from a NGO partner has been made available for the entire community to seek support from the trained counsellors during these trying times. In collaboration with academic institutions, Company is also supporting research studies to create affordable testing at faster pace.

As part of Company's initiative under global Social Response Unit (SRU), we have extended support to the Government of Maharashtra - Brihanmumbai Municipal Corporation's (BMC) efforts to provide critical care to covid affected by setting up 65 fully equipped ICU beds; 25 ICU Beds in KEM

Hospital, 20 ICU Beds - LTMGH Hospital and 20 ICU Beds in BYL Nair Charitable Hospital, Mumbai. With Government of Karnataka, Company has installed 25 Covid test kiosks that have enabled swab collectors to conduct more tests and further augmented efforts of the corporation in tackling the fallout of the pandemic in the city. Along with this, 100 Oxygen Concentrators (OC) and 65 High Flow Nasal Cannulas (HFNC) at 15 Government hospitals across Bengaluru were installed to support the fight against Covid-19. With all efforts put in the right place, we were able to reach out to more than 800,000 people across 15 locations in India.

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. The Company has ambitious emission reduction targets and has taken some key transformation action. Significant measures taken to upgrade the utility infrastructure to energy efficient technologies. Company has reduced energy consumption by ensuring consuming systems such as air conditioning, lighting and data center equipment are designed with energy efficient technologies. Company has invested in Energy Monitoring and Equipment Automation for optimal energy usage. Company has received Energy Certifications such as ISO50001 and green building certifications.

Renewable Energy: Operationally, significant progress on energy transition to 100% renewable electricity is undertaken at all campuses, and are extending onsite solar plant capacity from 6.5MWp to 9.6 MWp. Company is also evaluating options for renewable energy purchase through offsite solar power plants.

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. The expenditure on Research & Development is Nil.

Foreign Exchange Earnings and Outgo: The Company earned INR 130,449 million in foreign exchange as against INR 129,942 million in the previous year. Exchange outgo, including capital goods was INR 7,412 million as against INR 6,668 million in the previous year.

Other Disclosures:

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.

Postal Ballot:

During the year under review, your Company had conducted two Postal Ballots seeking various approvals from the shareholders, the details of which are mentioned herein below:

a) On 04 August 2020, the Company issued a postal ballot notice to all the shareholders in accordance with the various circulars issued by the Ministry of Corporate Affairs on account of threat posed by Covid-19. The said postal ballot notice contained the following matter:

   Approval to provide loan/financing assistance to employees to subscribe to Capgemini SE Employee Stock Ownership Plan, 2020 ("CAPGEMINI ESOP 2020").

   Above-mentioned resolution was passed with the requisite majority by the shareholders of the Company.

b) On 05 October 2020, the Company issued a postal ballot notice to all the shareholders in accordance with the various circulars issued by the Ministry of Corporate Affairs on account of threat posed by Covid-19. The said postal ballot notice contained the following matter:

   Approval to acquisition of 98.25% of shares of Aricent Technologies (Holdings) Limited.

   The above-mentioned resolution was passed with the requisite majority by the shareholders of the Company.

Ballots are available on the website, at https://www.capgemini.com/in-en/what-we-do/group-overview/capgemini-technology-services-india-limited-formerly-known-as-igate-global-solutions-limited/.

Reporting of Frauds by Auditors:

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

Corporate Insolvency Resolution Process Initiated Under the Insolvency and Bankruptcy Code, 2016 (IBC):

The Company has not made any application nor any proceedings are pending under the Insolvency and Bankruptcy Code 2016 during the year, hence, there is nothing to report in this regard as required under the Companies (Accounts) Rules, 2014.

The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof:

During the year under review, no loan was taken from the Banks or Financial Institutions.

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

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

During the Financial Year 2020-21, the Company had received 16 complaints on sexual harassment, all were investigated and disposed of with appropriate action taken and no complaint remained pending as on 31 March 2021.

Acknowledgements and Appreciation:

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

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

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

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

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

Date: 23 August 2021

ANNEXURE I

Form AOC-1

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

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

(Figures INR in million)

Sr. no.	Name of subsidiary	Country	Reporting currency	Exchange rate	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% of shareholding
1	Annik Inc., USA	USA	USD	73.53	1	679	916	236	-	1,424	174	66	108	-	100%
2	Dalian Liquidhub Consulting Services Ltd Company (liquidated w.e.f. 15 October 2020)	China	CNY	10.72	-	-	-	-	-	7	(8)	0	(8)	-	100%
3	Annik UK Limited	UK	GBP	93.10	0	7	7	-	-	-	-	-	-	-	100%
4	Liquidhub Pte. Ltd.	Singapore	SGD	54.57	2	9	26	15	-	106	28	-	28	-	100%
5	Solcen Technologies Pvt Ltd (w.e.f. 23 October 2020)	India	INR	1	0	139	196	57	7	179	34	5	29	-	100%
6	Aricent Technologies (Holdings) Ltd (w.e.f. 23 November 2020)	India	INR	1	1,312	24,787	35,123	9,024	9,035	26,100	2,869	909	1,960	-	98.25%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations- Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year-Annik UK Limited is under liquidation and Dalian Liquidhub Consulting Services Ltd Company is liquidated

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

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

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

Armin Billimoria
Company Secretary
FCS: 8637
Place : Mumbai

Sujit Sircar
Chief Financial Officer
Place : Bengaluru

Date : 23 August 2021

ANNEXURE II

Form AOC-2

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

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

a) Name of related party and nature of relationship

Name of related party	Nature of relationship	Duration of contract	Salient terms
Capgemini SE	Ultimate Holding Company	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini North America, Inc.	Holding Company	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini America, Inc.	Entity with Significant influence over the Company	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Solcen Technologies Pvt Ltd	Subsidiary Company	23 October 2020 to 31 March 2021	Based on transfer pricing guidelines
Aricent Technologies (Holdings) Ltd	Subsidiary Company	23 November 2020 to 31 March 2021	Based on transfer pricing guidelines
Dalian Liquidhub Consulting Services Limited Company	Subsidiary Company	01 April 2020 to 15 October 2020	Based on transfer pricing guidelines
Annik, Inc.	Subsidiary Company	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Annik UK Ltd	Subsidiary Company	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
LiquidHub Pte. Ltd.	Subsidiary Company	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini (China) Co. Ltd.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini (Hangzhou) Co Ltd	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Argentina, S.A.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Australia Pty Limited	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Belgium NV/S.A.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Business Services (China) Limited	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Business Services Brasil – Assessoria Empresarial Ltda	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Brasil S.A. (formerly CPM Braxis S.A.)	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Canada Inc.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Consulting Österreich AG	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Consulting S.A.S.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Czech Republic s.r.o	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Deutschland GmbH	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Deutschland Holding GmbH	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Educational Services B.V.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini España S.L.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Finland Oy	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini France S.A.S.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Government Solutions LLC	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Hong Kong Limited	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Italy S.P.A.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Ireland Limited	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Japan K.K.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Magyarorszag Kft.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Mexico S. DE R.L. DE C.V.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Nederland B.V.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines

Name of related party	Nature of relationship	Duration of contract	Salient terms
Capgemini Norge A/S	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Outsourcing Services GmbH	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Polska Sp. z.o.o	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Portugal, Serviços de Consultoria e Informatica, S.A.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Saudi Limited	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Service Romania s.r.l.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Service S.A.S.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Services Malaysia Sdn Bhd	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Singapore Pte. Ltd.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Singapore Pte. Ltd. - Abu Dhabi Branch	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Singapore Pte. Ltd. - Dubai Branch	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Slovensko s.r.o.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Danmark A/S	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Solutions Canada Inc.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Suisse S.A.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Sverige AB	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Technologies LLC	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Technology Services S.A.S.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini UK plc	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Vietnam Co. Ltd	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
CHCS Services Inc.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Inergi LP	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Prosodie S.A.S.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Societe en Commandite Capgemini Quebec Limited Partnership	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Sogeti Deutschland GmbH	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini DEMS France SAS (formerly known as Sogeti High Tech S.A.S.)	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Sogeti Luxembourg S.A.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Sogeti Nederland B.V.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Sogeti Sverige AB	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Sogeti UK Limited	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Inergi Inc.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Asia Pacific Pte Ltd. - Taiwan Branch	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Idean Enterprises Inc. (merged with Capgemini America Inc w.e.f. 3 January 2020)	Fellow subsidiary	01 April 2019 to 03 January 2020	Based on transfer pricing guidelines
New Horizons Systems Solutions Inc	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Philippines Corp.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited)	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
ODIGO SAS	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Interactive Thinking S.R.L.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines

Name of related party	Nature of relationship	Duration of contract	Salient terms
Capgemini UK Plc – South Africa Branch -262	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Business Services B.V.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
CHCS Services Inc - India Branch	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Altran Technologies India Pvt. Ltd.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Altran Technologies S.A.S.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Aricent Holdings Mauritius India Limited	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Aricent Holdings Mauritius Limited	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Capgemini Australia (New Zealand Branch)	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
RADI Software Do Brasil Ltda.	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines
Idean Enterprises Oy (merged with CG Finland OY as on 01 July 2020)	Fellow subsidiary	01 April 2020 to 31 March 2021	Based on transfer pricing guidelines

b) Aggregate value of the above contracts or arrangements or transactions is Rs. 176,646 Million during the year.

For and on behalf of the Board of Directors

Capgemini Technology Services India Limited

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

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

Date : 23 August 2021

ANNEXURE III

REMUNERATION POLICY

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

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

(a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

(b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Key principles governing this remuneration policy are as follows:

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

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

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

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

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

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

ANNEXURE IV

FORM No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

To,

The Members,
Capgemini Technology Services India Limited
Plot No.14, Rajiv Gandhi Infotech Park,
Hinjewadi Phase-III, MIDC-SEZ, Village Man,
Taluka Mulshi, Pune – 411057, MH

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Capgemini Technology Services India Limited (CIN: U85110PN1993PLC145950)** (hereinafter called the **"Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information to the extent provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit,the explanations and clarifications given to me and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic. I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Capgemini Technology Services India Limited ("the Company")** for the financial year ended on 31st March, 2021 according to the provisions of:

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

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

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

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

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

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - **(Not applicable to the Company during the audit period)**

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **(Not applicable to the Company during the audit period)**

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time - **(Not applicable to the Company during the audit period)**

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 - **(Not applicable to the Company during the audit period)**

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **(Not applicable to the Company during the audit period)**

  (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **(Not applicable to the Company during the audit period)**

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **(Not applicable to the Company during the audit period)**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **(Not applicable to the Company during the audit period)**

(vi) The Management of Company has identified and confirmed the following other specifically Acts/ Laws applicable to the Company as per **Annexure-A.**

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

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

ii. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not Applicable to the Company during audit period)**

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc. mentioned above.

As on 31st March, 2021 the Board of Directors of the Company is constituted with Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were generally carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes where applicable.

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

I further report that during the audit period there were following such event took place having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred above.

1. **I further report that** during the period under review the Company through Special Resolution Passed under Section 67 of Companies Act, 2013 via Postal Ballot Meeting of Members held on 11th September, 2020 approved to provide for money and/or loan/financial assistance to employees to subscribe to Capgemini SE Employee Stock Ownership Plan, 2020.

2. **I further report that** during the period under review the Solcen Technologies Private Limited ("STPL") has become a Wholly Owned Subsidiary Company by way of acquisition of 100% Equity Shares of "STPL" by Company through Board Resolution Passed under Sections 179 and 186 of the Companies Act, 2013 subject to the requirements under the Foreign Exchange Management Act, 1999 and the rules framed thereunder including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, accordingly the Company has entered into a Share Purchase Agreement dated 21st October, 2020 for such Acquisition.

3. **I further report that** during the period under review the Aricent Technologies (Holdings) Limited("ATHL") has become a Subsidiary Company by way of acquisition of 98.25% Equity Shares of "ATHL" by Company through Special Resolution Passed under Section 186 of Companies Act, 2013 via Postal Ballot Meeting of Members held on 09th November, 2020, accordingly the Company has entered into a Share Purchase Agreement dated 23rd November, 2020 for such Acquisition.

During the period under review I could not physically visit the premises of the Company due to lockdown situation in the Country imposed by the Government in view of the global pandemic of COVID-19.

For Kaushik M. Jhaveri & Co.,

Kaushik Jhaveri
Practising company secretary
FCS No: 4254 CP No: 2592
UDIN: F004254C000473074

Date: 16/06/2021
Place: Mumbai

Annexure - A to Secretarial Audit Report of
Capgemini Technology Services India Limited for the year ended 31st March, 2021

List of other Acts/Laws as amended time to time applicable to the Company:

1. Information Technology Act, 2000
2. The Shops and Establishments Act
3. Special Economic Zones Act, 2005
4. Software Technology Parks of India and its regulations
5. The Employees' Provident Acts & Misc. Provisions Act, 1952
6. The Equal Remuneration Act, 1976
7. The Maternity Benefit Act, 1961
8. The Payment of Gratuity Act, 1972
9. The Minimum Wages Act, 1948
10. The Employees' State Insurance Act, 1963
11. The Apprentices Act, 1961
12. The Sexual Harassment of Women at Workplace (Prevention, Prohibition Redressal) Act, 2013.

*This Report is to be read with my letter of even date which is annexed as **Annexure B** and forms an integral part of this report.*

Annexure-B

To,

The Members,
Capgemini Technology Services India Limited
Plot No.14, Rajiv Gandhi Infotech Park,
Hinjewadi Phase-III, MIDC-SEZ, Village Man,
Taluka Mulshi, Pune – 411057, MH

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

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices that I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. 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.

For Kaushik M. Jhaveri & Co.,

Practising Company Secretary
FCS No.: 4254
CP No.: 2592
UDIN: F004254C000473074

Date: 16/06/2021
Place: Mumbai

ANNEXURE V

Annual Report on CSR activities to be included in the Board's Report

1. **Brief outline on CSR Policy of the Company**

INTRODUCTION:

Corporate Social Responsibility (CSR) is the Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. CTSIL in India is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Indian Companies Act, 2013 and related Rules. CTSIL believes that corporate development has to be inclusive and every corporate has to be responsible for the development of a just and humane society that can build a national enterprise. CTSIL commits itself to contribute to the society in ways possible for the organization and has set up the iCARE function, its core CSR team, as a means for fulfilling this commitment.

AIMS & OBJECTIVES

(i) To develop a long-term vision and strategy for CTSIL's CSR objectives.

(ii) Establish relevance of potential CSR activities to CTSIL's core business and create an overview of activities to be undertaken, in line with Schedule VII of the Companies Act, 2013.

(iii) CTSIL shall promote projects that are:
(a) Sustainable and create a long term change;
(b) Have specific and measurable goals in alignment with CTSIL philosophy;
(c) Address the most deserving cause or beneficiaries.

(iv) To establish process and mechanism for the implementation and monitoring of the CSR activities for CTSIL.

2. **Composition of CSR Committee:**

Sl. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Kalpana Rao	Independent Director and Chairperson of CSR Committee	3	3
2	Srinivasa Rao Kandula	Member and Wholetime Director	3	3
3	Ashwin Yardi	Member and Wholetime Director	3	3
4	Ramaswamy Rajaraman	Member and Independent Director	3	3
5	Aruna Jayanthi	Member and Director	3	3
6	Hubert Giraud	Member and Director	3	3

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

https://www.capgemini.com/in-en/what-we-do/group-overview/capgemini-technology-services-india-limited-formerly-known-as-igate-global-solutions-limited/

4. **Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**

The Company has been conducting impact assessment voluntarily through independent agencies to evaluate CSR programs. The Company takes cognizance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("CSR Amendment Rules"). There are no projects undertaken or completed after the effective date of the said rules for Financial Year 2020-21.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any**

Sl. No.	Financial Year	Amount available for set-off from preceding Financial Years (in Rs)	Amount required to be set-off for the Financial Year, if any (in Rs)
Not Aplicable	Not Applicable	Not Applicable	Not Applicable

6.	Average net profit of the company as per section 135(5)	21,431,897,941.21
7.	(a) Two percent of average net profit of the company as per section 135(5)	428,637,959.28
	(b) Surplus arising out of the CSR projects or programs or activities of the previous Financial Years.	48,675,000.00
	(c) Amount required to be set off for the Financial Year, if any	0
	(d) Total CSR obligation for the Financial Year (7a+7b- 7c)	477,312,959.28

8. **(a) CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
477,312,959.28	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the Financial Year:

Sl. no.	Name of the project	Item from the list of activities in schedule VII to the act	Local area	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current Financial Year (in Rs.)	Amount transferred to unspent CSR account for the project as per Section 135(6) (in Rs.)	Mode of impleme-ntation – Direct (Yes/No)	Mode of implementation – through implementing agency	
			(Yes/ No)	State	District						Name	CSR registration number
1	Enlight - Scholarship for girl child education	(ii) & (iii)	Yes	Maharashtra, Karnataka, Tamil Nadu, Telangana, West Bengal & Delhi NCR	Mumbai, Pune, Bengaluru, Chennai, Trichy, Salem, Hyderabad, Kolkata & Delhi	5 Years	60,850,000.00	4,375,000.00	-	No	Aide et Action	CSR00001291
2	Enviornment - One Plant Academy	(ii) & (iv)	Yes	Maharashtra, Karnataka, Tamil Nadu, Telangana, West Bengal, Gujarat, Haryana & Uttar Pradesh	Mumbai, Pune, Bengaluru, Trichy, Salem, Hyderabad, Kolkata, Gandhinagar, Gurugram & Noida NCR	3 Years	23,342,958.00	8,382,596.00	-	No	World Wide Funds for Nature - India	CSR00000257
3	Scholarship for Technical and Medical Education	(ii)	Yes	Maharashtra, Karnataka, Tamil Nadu, Telangana, West Bengal, Gujarat, Haryana & Uttar Pradesh	Mumbai, Pune, Bengaluru, Trichy, Salem, Hyderabad, Kolkata, Gandhinagar, Gurugram & Noida NCR	5 Years	15,200,000.00	-	-	No	Foundation for Excellence	CSR00002053
4	Digital Literacy Program	(ii)	Yes	Karnataka, Tamil Nadu, Uttar Pradesh & Haryana	Bengaluru, Chennai, Noida & Gurugram	3 Years	15,138,200.00	1,829,801.60	-	No	SRF Foundation	CSR00001772
5	Digital Literacy Program	(ii)	Yes	Maharashtra	Mumbai & Pune	3 Years	7,569,100.00	2,022,152.00	-	No	Sri Sri Ravishankar Vidya Mandir Trust	CSR00009380
6	Digital Literacy Program	(ii)	Yes	Tamil Nadu	Trichy & Salem	3 Years	7,569,100.00	1,422,410.00	-	No	Hope Foundation	CSR00000472

Sl. no.	Name of the project	Item from the list of activities in schedule VII to the act	Local area	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current Financial Year (in Rs.)	Amount transferred to unspent CSR account for the project as per Section 135(6) (in Rs.)	Mode of impleme-ntation – Direct (Yes/No)	Mode of implementation – through implementing agency	
			(Yes/ No)	State	District						Name	CSR registration number
7	Digital Literacy Program	(ii)	Yes	Kolkata	West Bengal	3 Years	4,353,910.00	707,344.00	-	No	Change Initiatives	CSR00001889
8	Digital Literacy Program	(ii)	Yes	Odisha	Bhubaneshwar	3 Years	3,784,550.00	458,436.00	-	No	Deenabandhu Trust	CSR00001837
9	School Adoption Program	(ii)	Yes	Karnataka & Tamil Nadu	Bengaluru & Chennai	3 Years	41,910,000.00	1,740,205.00	-	No	SRF Foundation	CSR00001772
10	School Adoption Program	(ii)	Yes	Uttar Pradesh	Noida	3 Years	12,441,000.00	2,392,368.00	-	No	SRF Foundation	CSR00001772
11	School Adoption Program	(ii)	Yes	Maharashtra	Mumbai & Pune	3 Years	41,910,000.00	4,784,736.00	-	No	Sri Sri Ravishankar Vidya Mandir Trust	CSR00009380
12	Digital Academy	(ii)	Yes	Karnataka & Tamil Nadu	Bengaluru & Chennai	3 Years	36,810,510.00	12,844,755.00	-	No	Anirban Rural Welfare Society	CSR00000708
13	Digital Academy	(ii)	Yes	Maharashtra, West Bengal & Uttar Pradesh	Mumbai, Kolkata & Noida	3 Years	54,062,988.00	16,831,208.50	-	No	Anudip Foundation	CSR00000060
14	DIYA -Digital Academy	(ii)	Yes	Maharashtra & Tamil Nadu	Mumbai & Chennai	3 Years	28,623,650.00	7,594,012.80	-	No	Anudip Foundation	CSR00000060
15	Digital Academy	(ii)	Yes	Maharashtra, Karnataka, Tamil Nadu, Telangana, West Bengal, Gujarat, Haryana & Uttar Pradesh	Mumbai, Pune, Bengaluru, Trichy, Salem, Hyderabad, Kolkata, Gandhinagar, Gurugram & Noida NCR	3 Years	18,072,600.00	4,518,150.00	-	No	Foundation for Excellence	CSR00002053
16	Digital Academy - GuruSchool	(ii)	Yes	Maharashtra, Telangana, West Bengal & Delhi NCR	Pune, Hyderabad, Kolkata & Delhi	3 Years	63,280,764.00	12,198,730.00	-	No	Udyogini	CSR00001487
17	LEAP - Digital Academy	(ii)	Yes	Tamil Nadu	Trichy & Salem	3 Years	32,760,044.00	4,106,256.00	-	No	Udyogini	CSR00001487
18	Digital Academy - Coding for Girls	(ii)	Yes	Maharashtra & Tamil Nadu	Mumbai, Pune & Chennai	2 Years	21,254,700.00	4,012,800.00	-	No	Udyogini	CSR00001487
19	Digital Academy	(ii)	Yes	Karnataka	Bengaluru	1 Year	29,400,000.00	7,350,000.00	-	No	Technoserve	CSR00001337
20	Digital Academy	(ii)	Yes	Maharashtra, Karnataka, Tamil Nadu, Telangana, West Bengal, Gujarat, Haryana & Uttar Pradesh	Mumbai, Pune, Bengaluru, Trichy, Salem, Hyderabad, Kolkata, Gandhinagar, Gurugram & Noida NCR	3 Years	63,000,000.00	18,900,000.00	-	No	Global Compact Network	CSR00006252
21	Digital Academy	(ii)	Yes	Maharashtra, Karnataka, Tamil Nadu, Telangana, West Bengal, Gujarat, Haryana & Uttar Pradesh	Mumbai, Pune, Bengaluru, Trichy, Salem, Hyderabad, Kolkata, Gandhinagar, Gurugram & Noida NCR	3 Years	118,097,958.00	10,816,423.20	-	No	An Association for Development, Harmony and Action Research	CSR00001918
22	LEAP Inclusion Digital Academy	(ii)	Yes	Maharashtra & Telangana	Mumbai, Pune & Hyderabad	3 Years	43,877,331.00	7,288,346.00	-	No	Sarthak Educational Trust	CSR00001093
23	LEAP Inclusion Digital Academy	(ii)	Yes	Uttar Pradesh	Noida	3 Years	12,857,802.00	-	-	No	Sarthak Educational Trust	CSR00001093

Sl. no.	Name of the project	Item from the list of activities in schedule VII to the act	Local area	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current Financial Year (in Rs.)	Amount transferred to unspent CSR account for the project as per Section 135(6) (in Rs.)	Mode of implementation – Direct (Yes/No)	Mode of implementation – through implementing agency	
			(Yes/ No)	State	District						Name	CSR registration number
24	LEAP Inclusion Digital Academy	(ii)	Yes	Maharashtra	Mumbai & Pune	2 years	16,095,000.00	6,754,500.00	-	No	Youth 4 Jobs	CSR00002046
25	Mission Million Trees	(iv)	Yes	Maharashtra, Karnataka, Tamil Nadu, Telangana, West Bengal, Gujarat, Haryana & Uttar Pradesh	Mumbai, Pune, Bengaluru, Trichy, Salem, Hyderabad, Kolkata, Gandhinagar, Gurugram & Noida NCR	3 Years	6,000,000.00	600,000.00	-	No	Sri Sri Ravishankar Vidya Mandir Trust	CSR00009380
26	Mission Million Trees	(iv)	Yes			4 Years	30,185,000.00	12,528,000.00	-	No	International Association for Human Values	CSR00000683
27	Mission Million Trees	(iv)	Yes			5 Years	12,025,000.00	10,822,500.00	-	No	World Wide Funds for Nature India	CSR00000257
28	Mission Million Trees	(iv)	Yes			6 Years	16,000,000.00	12,800,000.00	-	No	Environment and Biotechnology Foundation	CSR00007302
29	CapSarathi	(ii)	Yes	Maharashtra, Karnataka, Tamil Nadu, Telangana, West Bengal, Gujarat, Haryana & Uttar Pradesh	Mumbai, Pune, Bengaluru, Trichy, Salem, Hyderabad, Kolkata, Gandhinagar, Gurugram & Noida NCR	1 Year	3,543,720.00	2,126,232.00	-	No	Sarthak Educational Trust	CSR00001093
30	Future Skills	(ii)	Yes	Maharashtra, Karnataka, Tamil Nadu, Telangana, West Bengal, Gujarat, Haryana & Uttar Pradesh	Mumbai, Pune, Bengaluru, Trichy, Salem, Hyderabad, Kolkata, Gandhinagar, Gurugram & Noida NCR	3 Years	28,623,650.00	25,761,285.00	-	No	Anudip Foundation	CSR00000060
31	Positive Parenting and Child Helpline	(ii)	Yes	Maharashtra	Mumbai	3 Years	11,191,580.00	1,904,732.00	-	No	Parisar Asha	CSR00001772
32	Robots for Cleaning & intervention in Sewer line	(ix)	Yes	Maharashtra, Karnataka, Tamil Nadu, Telangana, West Bengal, Gujarat, Haryana & Uttar Pradesh	Mumbai, Pune, Bengaluru, Trichy, Salem, Hyderabad, Kolkata, Gandhinagar, Gurugram & Noida NCR	1 Year	7,530,600.00	1,882,650.00	-	No	Indian Institute of Technology Madras	CSR00004320
33	NSRCEL	(ix)	Yes	Maharashtra, Karnataka, Tamil Nadu, Telangana, West Bengal, Gujarat, Haryana & Uttar Pradesh	Mumbai, Pune, Bengaluru, Trichy, Salem, Hyderabad, Kolkata, Gandhinagar, Gurugram & Noida NCR	3 Years	63,000,000.00	7,350,000.00	-	No	Indian Institute of Management Bengaluru	CSR00003458
34	National Programme on Technology Enhanced Learning	(ii)	Yes	Maharashtra, Karnataka, Tamil Nadu, Telangana, West Bengal, Gujarat, Haryana & Uttar Pradesh	Mumbai, Pune, Bengaluru, Trichy, Salem, Hyderabad, Kolkata, Gandhinagar, Gurugram & Noida NCR	3 Years	18,637,500.00	3,570,000.00	-	No	Indian Institute of Technology Madras	CSR00004320

Sl. no.	Name of the project	Item from the list of activities in schedule VII to the act	Local area	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current Financial Year (in Rs.)	Amount transferred to unspent CSR account for the project as per Section 135(6) (in Rs.)	Mode of implementation – Direct (Yes/No)	Mode of implementation – through implementing agency	
			(Yes/ No)	State	District						Name	CSR registration number
35	Teacher Training for Atal Tinkering Labs	(ii)	Yes	Maharashtra, Karnataka, Tamil Nadu, Telangana, West Bengal, Gujarat, Haryana & Uttar Pradesh	Mumbai, Pune, Bengaluru, Trichy, Salem, Hyderabad, Kolkata, Gandhinagar, Gurugram & Noida NCR	3 Years	115,472,082.00	9,570,000.00	-	No	SRF Foundation	CSR00001772
36	Impact Future Project	(ii)	Yes	Maharashtra, Karnataka, Tamil Nadu, Telangana, West Bengal, Gujarat, Haryana & Uttar Pradesh	Mumbai, Pune, Bengaluru, Trichy, Salem, Hyderabad, Kolkata, Gandhinagar, Gurugram & Noida NCR	3 Years	12,457,080.00	3,114,270.00	-	No	Aspire Action Trust	CSR00002284
37	MIS & Volunteering platform	(ii)	Yes	Maharashtra, Karnataka, Tamil Nadu, Telangana, West Bengal, Gujarat, Haryana & Uttar Pradesh	Mumbai, Pune, Bengaluru, Trichy, Salem, Hyderabad, Kolkata, Gandhinagar, Gurugram & Noida NCR	3 Years	32,090,500.00	17,509,340.00	-	No	An Association for Development, Harmony and Action Research	CSR00001918
38	Train The Trainer for CPB for polytechnics/ ITIs	(ix)	Yes	Maharashtra, Karnataka, Tamil Nadu, Telangana, West Bengal, Gujarat, Haryana & Uttar Pradesh	Mumbai, Pune, Bengaluru, Trichy, Salem, Hyderabad, Kolkata, Gandhinagar, Gurugram & Noida NCR	1 Year	1,025,000.00	256,250.00	-	No	Indian Institute of Technology Madras	CSR00004320
39	Firki	(ii)	Yes	Maharashtra, Karnataka, Tamil Nadu, Telangana, West Bengal, Gujarat, Haryana & Uttar Pradesh	Mumbai, Pune, Bengaluru, Trichy, Salem, Hyderabad, Kolkata, Gandhinagar, Gurugram & Noida NCR	3 Years	10,500,000.00	3,375,000.00	-	No	Teach To Lead	CSR00002271
40	My Quest	(ii)	Yes	Karnataka, Telangana, Tamil Nadu, Odisha & Gujarat	Bengaluru, Hyderabad, Chennai, Trichy, Salem Bhubandeshwar & Gandhinagar	1 Year	9,880,500.00	7,410,375.00	-	No	Quest Alliance	CSR00001110
41	The Apprentice Project	(ii)	Yes	Maharashtra	Mumbai & Pune	1 Year	2,880,000.00	2,160,000.00	-	No	Mentor Me Foundation	CSR00001497
42	The Pi Lab Project	(ii)	Yes	Maharashtra	Mumbai	1 Year	2,856,000.00	1,713,600.00	-	No	Pi-Jam Foundation	CSR00002401
43	ExamPro	(ii)	Yes	Maharashtra, Karnataka, Tamil Nadu, Telangana, West Bengal & Odisha	Mumbai, Pune, Bengaluru, Chennai, Trichy, Salem, Hyderabad, Kolkata & Bhubaneshwar	1 Year	1,824,000.00	182,400.00	-	No	Sri Sri Ravishankar Vidya Mandir Trust	CSR00009380
44	National Digital Literacy Mission	(ii)	Yes	Karnataka, Tamil Nadu, Telangana, West Bengal, Maharashtra & Delhi	Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, Pune & Noida	3 Years	44,235,332.00	-1,836,723.00	-	No	NASSCOM Foundation	CSR00000689
45	LEAP - MAST Academy	(ii)	Yes	West Bengal & Telangana	Kolkata & Hyderabad	3 Years	19,270,008.00	-570,757.00	-	No	American India Foundation	CSR00001977

Sl. no.	Name of the project	Item from the list of activities in schedule VII to the act	Local area	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current Financial Year (in Rs.)	Amount transferred to unspent CSR account for the project as per Section 135(6) (in Rs.)	Mode of impleme-ntation – Direct (Yes/No)	Mode of implementation – through implementing agency	
			(Yes/ No)	State	District						Name	CSR registration number
46	SahiCareer	(ii)	Yes	Maharashtra, Karnataka, Tamil Nadu, West Bengal, Telangana, Uttar Pradesh, Haryana & Odisha	Mumbai, Pune, Bengaluru, Chennai, Trichy, Salem, Hyderabad, Noida, Gurugram & Bhubanehswar	5 Years	7,498,000.00	1,440,644.00	-	Yes	Anirban Rural Welfare Soceity	CSR00000708
47	Coding for Girls	(ii)	Yes	Telangana	Hyderabad	1 Year	3,787,300.00	2,779,937.00	-	Yes	SRF Foundation	CSR00000733
48	InnoSTE(A)M	(ii)	Yes	Haryana	Gurugram	1 Year	4,383,500.00	1,414,843.00	-	Yes	SRF Foundation	CSR00000733
49	Coding for Girls	(ii)	Yes	Haryana & Uttar Pradesh	Gurugram & Noida	1 Year	3,479,300.00	1,867,480.00	-	Yes	SRF Foundation	CSR00000733
50	FARM - Financial and Agricultural recommendation Modesl	(iv)	Yes	West Bengal	Kolkata	1 Year	612,150.00	550,935.00	-	Yes	Change Initiatives	CSR00001889
	Total							**271,613,223.10**				

(c) Details of CSR amount spent against other than ongoing projects for the Financial Year:

Sl. no.	Name of the project	Item from the list of activities in schedule VII to the act	Local area	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation – Direct (Yes/No)	Mode of implementation – through implementing agency	
			(Yes/ No)	State	District			Name	CSR registration number
1	Covid Relief	(xii)	Yes	Maharashtra & Karnataka	Mumbai & Bengaluru	62,109,744 .00	Yes	BPL Medical Technologies Private Limited	Not Applicable
2	Covid Relief	(xii)	Yes	Maharashtra	Mumbai	27,740,149.00	Yes	Skanray Technologies Private Limited	Not Applicable
3	Covid Relief	(xii)	Yes	Maharashtra, Karnataka, Telangana, West Bengal, Tamil Nadu, Gujarat, Haryana, Odisha & Uttar Pradesh	Mumbai, Pune, Bengaluru, Hyderabad, Kolkata, Chennai, Trichy, Salem, Gandhinagar, Gurugram, Bhubaneshwar & Noida	12,750,000.00	Yes	Fabric Monde Marketing Private Limited	Not Applicable
4	Covid Relief	(xii)	Yes	Maharashtra, Karnataka, Telangana, West Bengal, Tamil Nadu, Gujarat, Haryana, Odisha & Uttar Pradesh	Mumbai, Pune, Bengaluru, Hyderabad, Kolkata, Chennai, Trichy, Salem, Gandhinagar, Gurugram, Bhubaneshwar & Noida	7,500,000.00	Yes	Indian Institute Of Technology Madras	CSR00004320
5	Covid Relief	(xii)	Yes	Maharashtra	Mumbai	6,473,716.00	Yes	BEAM Innovations and Technologies	Not Applicable
6	Covid Relief	(xii)	Yes	Maharashtra, Karnataka, Telangana, West Bengal, Tamil Nadu, Gujarat, Haryana, Odisha & Uttar Pradesh	Mumbai, Pune, Bengaluru, Hyderabad, Kolkata, Chennai, Trichy, Salem, Gandhinagar, Gurugram, Bhubaneshwar & Noida	5,900,000.00	Yes	Indian Institute of Science	CSR00007370
7	Covid Relief	(xii)	Yes	Maharashtra	Pune	5,500,000 .00	Yes	An Association for Development, Harmony and Action Research	CSR00001918
8	Covid Relief	(xii)	Yes	Maharashtra, Karnataka, Telangana, West Bengal, Tamil Nadu, Gujarat, Haryana, Odisha & Uttar Pradesh	Mumbai, Pune, Bengaluru, Hyderabad, Kolkata, Chennai, Trichy, Salem, Gandhinagar, Gurugram, Bhubaneshwar & Noida	4,535,202.00	Yes	Sportvolt Professional Services Pvt Ltd	Not Applicable

Sl. no.	Name of the project	Item from the list of activities in schedule VII to the act	Local area	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation – Direct (Yes/No)	Mode of implementation – through implementing agency	
			(Yes/No)	State	District			Name	CSR registration number
9	Covid Relief	(xii)	Yes	Maharashtra & Uttar Pradesh	Mumbai & Noida	4,034,184.00	Yes	Green Linen Private Limited	Not Applicable
10	Covid Relief	(xii)	Yes	Maharashtra, Karnataka, Telangana, West Bengal, Tamil Nadu, Gujarat, Haryana, Odisha & Uttar Pradesh	Mumbai, Pune, Bengaluru, Hyderabad, Kolkata, Chennai, Trichy, Salem, Gandhinagar, Gurugram, Bhubaneshwar & Noida	3,982,500.00	Yes	ORCA SYS Private Limited	Not Applicable
11	Covid Relief	(xii)	Yes	Maharashtra, Karnataka, Telangana, Haryana & Uttar Pradesh	Mumbai, Pune, Bengaluru, Hyderabad, Kolkata, Gurugram & Noida	3,120,000 .00	Yes	The Akshay Patra Foundation	Not Applicable
12	Covid Relief	(xii)	Yes	Maharashtra	Mumbai	1,569,400 .00	Yes	Galaxy Medical Devices Private Limited	Not Applicable
13	Covid Relief	(xii)	Yes	Maharashtra, Karnataka, Telangana, West Bengal, Tamil Nadu, Gujarat, Haryana, Odisha & Uttar Pradesh	Mumbai, Pune, Bengaluru, Hyderabad, Kolkata, Chennai, Trichy, Salem, Gandhinagar, Gurugram, Bhubaneshwar & Noida	953,761.00	Yes	AVI Global Plast Private Limited	Not Applicable
14	Covid Relief	(xii)	Yes	Maharashtra	Mumbai	182,137 .00	Yes	Nathani Steels	Not Applicable
15	Covid Relief	(xii)	Yes	Maharashtra	Mumbai	168,000 .00	Yes	Jainam Invamed Private Limited	Not Applicable
16	Covid Relief	(xii)	Yes	Maharashtra	Mumbai	120,360.00	Yes	P. R. Technology	Not Applicable
17	Covid Relief	(xii)	Yes	Maharashtra	Mumbai	55,160 .00	Yes	Renalysis Consultants Pvt Ltd	Not Applicable
18	Covid Relief	(xii)	Yes	Maharashtra	Mumbai	31,460.00	Yes	Satyam Collection Churchgate	Not Applicable
	Total					**146,725,772.00**			

(d) Amount spent in Administrative Overheads		19,025,994.58
(e) Amount spent on Impact Assessment, if applicable		0
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)		437,364,989.83
(g) Excess amount for set off, if any		
Sl. No.	**Particulars**	**Amount (in Rs.)**
(i)	Two percent of average net profit of the company as per section 135(5)	428,637,959.00
(ii)	Total amount spent for the Financial Year	437,364,990.00
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	8,727,031.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	8,727,031.00

9. (a) Details of Unspent CSR amount for the preceding three Financial Years:

Sl. no.	Preceding Financial Year	Amount transferred to unspent CSR account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6),if any			Amount remaining to be spent in succeeding Financial Years (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer	
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year(s):

Sl. no.	Project ID	Name of the project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project – Completed / Ongoing
1	2011062	Enlight - Scholarship for girl child education	2015-16	5 Years	60,850,000.00	1,875,000.00	1,875,000.00	Ongoing
2	00-11059	Scholarship for Technical and Medical Education	2016-17	5 Years	15,200,000.00	800,000.00	800,000.00	Ongoing
3	5011152	Digital Literacy Program - Change Initiatives	2018-19	3 Years	4,353,910.00	712,305.00	712,305.00	Ongoing
4	5011153	Digital Literacy Program - DBT	2018-19	3 Years	3,784,550.00	573,045.00	573,045.00	Ongoing
5	00-11157	Digital Literacy Program - AADHAAR	2019-20	3 Years	72,180,000.00	6,000,000.00	6,000,000.00	Ongoing
6	1011120	School Adoption Program - SRF Foundation	2017-18	3 Years	41,910,000.00	3,044,531.00	3,044,531.00	Ongoing
7	4011112	School Adoption Program - Plan India	2017-18	3 Years	20,955,000.00	2,392,368.00	2,392,368.00	Ongoing
8	5011016	School Adoption Program - Deenabandhu Trust	2017-18	3 Years	26,275,000.00	2,392,368.00	2,392,368.00	Ongoing
9	1202214	Digital Academy - Coding for Girls	2018-19	2 Years	21,254,700.00	6,138,270.00	6,138,270.00	Ongoing
10	4022027	LEAP Inclusion Digital Academy - Sarthak Mum Pun Hyd	2019-20	3 Years	43,877,331.00	10,031,415.00	10,031,415.00	Ongoing
11	4022027	LEAP Inclusion Digital Academy - Noida	2017-18	3 Years	12,857,802.00	1,643,199.20	1,643,199.20	Ongoing
12	00-33168	Mission Million Trees	2019-20	3 Years	14,525,000.00	13,072,500.00	13,072,500.00	Ongoing

10.	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset-wise details)	
	(a) Date of creation or acquisition of the capital asset(s)	Not Applicable
	(b) Amount of CSR spent for creation or acquisition of capital asset	Not Applicable
	(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
	(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable
11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)	Not Applicable

For and on behalf of Board of Directors

Capgemini Technology Services India Limited

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

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

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

Date : 23 August 2021

Independent Auditors' Report

To the Members of Capgemini Technology Services India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Capgemini Technology Services India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information, in which are included the financial statements of an erstwhile wholly-owned subsidiary of the Company, LiquidHub India Private Limited ("the erstwhile subsidiary") for the year ended on that date, audited by the other auditor.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 March 31, 2021, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in sub-paragraph 14 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matters

4. We draw your attention to the following matters:-

   (a) Note 35(b) to the Standalone Financial Statements which describes that Hon'ble National Company Law Tribunal (NCLT) has approved a Scheme of Amalgamation between the Company and its wholly owned subsidiary, IGATE Infrastructure Management Services Limited ("IIMSL"), vide its order dated June 8, 2021 by virtue of which IIMSL has merged with the Company. The appointed date as per the scheme is April 1, 2017 and the effect of the same has been given in this Standalone Financial Statements with effect from April 1, 2019, as per Appendix C, Indian Accounting Standard 103 - Business Combination. Also refer Note 35(b) to the Standalone Financial Statements which explains the impact of the merger.

   (b) Note 35(c) and 35(d) to the Standalone Financial Statements which describes that Hon'ble National Company Law Tribunal (NCLT) has approved a Scheme of Amalgamation between the Company and its wholly owned subsidiaries, Liquidhub Analytics Private Limited ("LHA") and LiquidHub India Private Limited ("LHI"), vide its order dated June 24, 2021 by virtue of which LHA and LHI has merged with the Company. The scheme has been given effect to in the standalone financial statements from the appointed date of April 1, 2020, which is different from the date required under Appendix C to Ind AS 103 – Business Combinations. Also refer Note 35(c) and 35(d) to the Standalone Financial Statements which explains the impact of the merger.

   Our opinion is not modified in respect of these matters.

Other Information

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

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

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditor as furnished to us (Refer paragraph 14 below) we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the standalone financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the standalone financial statements

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

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

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

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

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

Other Matters

12. The standalone financial statements of the Company for the year ended March 31, 2020, were audited by another firm of chartered accountants under the Act who, vide their report dated July 27, 2020, expressed an unmodified opinion on those financial statements.

13. The Financial Statements for the year ended March 31, 2020 of IIMSL, which is merged with the Company with effect from April 01, 2019, were audited by another firm of chartered accountants under the Act who, vide their report dated July 23, 2020, expressed an unmodified opinion on those Financial Statements (Refer Note 35(b) to the Standalone Financial Statements).

14. We did not audit the financial statements of the erstwhile subsidiary which is merged with the Company with effect from April 01, 2020 included in the standalone financial statements of the Company (Refer Note 35(d) to the standalone financial statements), which constitute total assets of Rs. 1,742 million and net assets of Rs. 1,474 million as at March 31, 2021, total revenue of Rs. 1,156 million, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 145 million and net cash inflows amounting to Rs. 379 million for the year then ended. These financial statements and other financial information have been audited by other auditor whose report dated July 1, 2021 has been furnished to us by the management, and our opinion on the standalone financial statements to the extent they have been derived from such financial statements and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid erstwhile subsidiary is based solely on the report of such other auditor.

15. The Financial Statements for the year ended March 31, 2020 of LHA, which is merged with the Company with effect from April 01, 2020, were audited by another firm of chartered accountants under the Act who, vide their report dated July 23, 2020, expressed an unmodified opinion on those Financial Statements (Refer Note 35(c) to the Standalone Financial Statements).

    Our opinion is not modified in respect of above matters.

Report on Other Legal and Regulatory Requirements

16. As required by the Companies (Auditor's 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable and considering the reporting in the auditor's report of the erstwhile subsidiary.

17. As required by Section 143(3) of the Act, and considering the reporting in the auditor's report of the erstwhile subsidiary, we report that:

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

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India. In respect of the erstwhile subsidiary, the other auditor has reported that, "In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books".

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

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in paragraph 17(b) above.

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

    (h) 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 and considering the reporting in the auditor's report of the erstwhile subsidiary :

        (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 41 to the standalone financial statements. Further, the auditor of the erstwhile subsidiary has reported that, "The Company does not have any pending litigations which would impact its financial position;"

        (ii) The Company has long-term contracts including derivative contracts as at March 31, 2021 for which there were no material foreseeable losses. Further, the auditor of the erstwhile subsidiary has reported that, "The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;"

        (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

        (iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.

18. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Further, the auditor of the erstwhile subsidiary has reported that, “The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021”.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 048125
UDIN: 21048125AAAADV4266

Place: Pune
Date: August 23, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 17(g) of the Independent Auditors' Report of even date to the members of Capgemini Technology Services India Limited on the standalone financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of Capgemini Technology Services India Limited ("the Company") as of March 31, 2021 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

2. 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements 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 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 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 with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

6. A company's internal financial controls with reference to standalone financial statements 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 controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 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 with reference to standalone financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, 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.

Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to standalone financial statements insofar as it relates to an erstwhile subsidiary of the Company, LiquidHub India Private Limited, which is merged with the Company from April 1, 2020, is based on the corresponding report of the auditor of the erstwhile subsidiary incorporated in India. Our opinion is not modified in respect of this matter.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 048125
UDIN: 21048125AAAADV4266

Place: Pune
Date: August 23, 2021

Annexure B to Independent Auditors' Report

Referred to in paragraph 16 of the Independent Auditors' Report of even date to the members of Capgemini Technology Services India Limited on the Standalone financial statements for the year ended March 31, 2021

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. Further, the auditor of an erstwhile subsidiary, LiquidHub India Private Limited (which is merged with the Company from April 1, 2020) vide their report dated July 1, 2021 has reported that, "All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets and Note 4 on Right-of-use assets (Leasehold Land) to the financial statements, are held in the name of the Company, except for the following which are not held in the name of the Company:

Particulars	Gross Block as at March 31, 2021	Net block as at 31 March 2020 (INR million)	Total number of cases	Remarks
Leasehold Land	197	177	3	Pending name change/ Registration
Building	204	107	1	Pending name change/ Registration

(ii) The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company. Further, the auditor of the erstwhile subsidiary has reported that, "The Company has granted loans to company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest."

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the investments made. The Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 and has not provided any loans, guarantees or security to the parties covered under Section 186. Further, the auditor of the erstwhile subsidiary has reported that "In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company".

(v) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

(vi) The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

(vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of (i) employee state insurance, though there has been a slight delay in a few cases and (ii) provident fund, where there have been serious delays in a few cases. The Company is regular in depositing undisputed statutory dues, including sales tax, income tax, service tax, duty of customs, value added tax, cess, goods and service tax and other material statutory dues as applicable, with the appropriate authorities. Also refer Note 41B(ii) to the Standalone financial statements regarding management's assessment on certain matters relating to provident fund.

The extent of the arrears of statutory dues outstanding as at March 31, 2021, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Due date	Date of Payment
Employees provident fund scheme 1952	Provident Fund	0.51	April-20	May 15, 2020	April 20, 2021
		1.57	August-20	September 15, 2020	April 20, 2021
		0.16	December-19	January 15, 2020	April 2, 2021
		0.35	February-20	March 15, 2020	April 3, 2021
		0.22	January-20	February 15, 2020	April 3, 2021
		1.38	July-20	August 15, 2020	April 20, 2021
		0.11	June-20	July 15, 2020	April 20, 2021
		0.43	March-20	April 15, 2020	April 3, 2021
		0.57	May-20	June 15, 2020	April 20, 2021
		0.03	November-19	December 15, 2019	April 2, 2021

Further, the auditor of the erstwhile subsidiary has reported that "Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods & services tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable."

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of excise, goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, works contract tax, duty of customs, value added tax, as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Demand Amount (Rs. in million)	Amount paid under protest (Rs. in million)	Period to which the amount relates	Forum where the dispute is pending
Income-Tax Act, 1961	Income Tax	14	*	AY 2007-08 to 2010-11	Assistant Commissioner Income Tax, Chennai
Income-Tax Act, 1961	Income Tax	*	-	AY 2008-09 and AY 2014-15	Assistant Commissioner Income Tax, Delhi
Income-Tax Act, 1961	Income Tax	6	-	AY 2016-17	Deputy Commissioner of Income tax, Delhi
Income-Tax Act, 1961	Income Tax	*	-	AY 2010-11	Commissioner of Income Tax Appeals, Delhi
Income-Tax Act, 1961	Income Tax	59	-	AY 2007-08 to 2008-09, AY 2011-12 and AY 2013-14, AY 2015-16 to 2016-17	Commissioner Income Tax (Appeals), Bangalore
Income-Tax Act, 1961	Income Tax	8	-	AY 2012-13	Commissioner Income Tax (Appeals), Hyderabad
Income-Tax Act, 1961	Income Tax	10	10	AY 2005-06 to 2006-07	Commissioner Income Tax (Appeals), Mumbai
Income-Tax Act, 1961	Income Tax	4,538	-	AY 2013-14, AY 2015-16 to 2019-20	Commissioner Income Tax (Appeals), Pune
Income-Tax Act, 1961	Income Tax	876	155	AY 2005-06, AY 2009-10 to 2011-12	Deputy Commissioner Income Tax, Pune
Income-Tax Act, 1961	Income Tax	16	10	AY 2007-08 to 2008-09	High Court Andhra Pradesh
Income-Tax Act, 1961	Income Tax	2,937	115	AY 2002-03 to 2003-04 and AY 2006-07 to 2009-10	High Court Bombay

Name of the statute	Nature of dues	Demand Amount (Rs. in million)	Amount paid under protest (Rs. in million)	Period to which the amount relates	Forum where the dispute is pending
Income-Tax Act, 1961	Income Tax	17	4	AY 2010-11 to 2012-13	Income Tax Appellate Tribunal, Bangalore
Income-Tax Act, 1961	Income Tax	17	23	AY 2010-11	Income Tax Appellate Tribunal, Hyderabad
Income-Tax Act, 1961	Income Tax	1,421	647	AY 2010-11 to 2011-12	Income Tax Appellate Tribunal, Mumbai
Income-Tax Act, 1961	Income Tax	18,959	4,620	AY 2011-12 to 2016-17	Income Tax Appellate Tribunal, Pune
Income-Tax Act, 1961	Income Tax	2,128	-	AY 2002-03 to 2005-06	Supreme Court
Income-Tax Act, 1961	Income Tax	20	18	AY 2005-06 & AY 2013-14	Income tax officer, Hyderabad
West Bengal VAT	Sales tax	227	-	2008-09 to 2010-11	Appellate and revisional board
Maharashtra VAT/CST	Sales Tax	242	20	2006-07 to 2010-11 and 2013-14	Pune Bench of Mumbai Tribunal
Maharashtra VAT/CST	Sales Tax	244	18	2011-12 to 2012-13	Joint Commissioner of Sales Taxes appeal
Maharashtra VAT/CST	Sales Tax	176	19	2013-14	Mumbai Tribunal
Maharashtra VAT/CST	Sales Tax	1,245	64	2014-15 to 2016-17	Deputy Commissioner Sales Tax (Appeal)
Maharashtra VAT/CST	Sales Tax	595	4	2013-14 to 2016-17	Joint Commissioner (Appeals)
Delhi VAT/ CST	Sales Tax	3	-	2012-13 to 2014-15	Commissioner (Appeals)
UP VAT/ CST	Sales Tax	66	9	2010-11 and 2013-14 to 2016-17	Additional Commissioner (Appeals)
TL VAT/ CST	Works Contract Tax	4	-	2012-13	High Court, Telangana
Finance Act, 1994	Service Tax	67	3	2007-08 to 2012-13	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	132	10	2006-2015	Custom excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	20	-	2011-12	Commissioner (Appeal)
Finance Act, 1994	Service Tax	134	1	2012-13 to 2015-16	Custom excise & Service Tax Appellate Tribunal
Customs Act, 1962	Custom Duty	4	4	1992-93	High Court, Bombay

* Amount is below the rounding off

Further, the auditor of the erstwhile subsidiary had reported that “According to the records of the Company, there are no dues of income-tax, goods and services tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess which have not been deposited on account of any dispute, except the following:

Name of the statute	Nature of dues	Demand Amount (Rs. in Lakhs)	Amount paid under protest	Period to which the amount relates	Forum where the dispute is pending
Income-Tax Act, 1961	Income Tax	0.4	-	AY 2016-17	Assessing Officer
Income-Tax Act, 1961	Income Tax	489.1	-	AY 2017-18	Commissioner of Income tax (CIT) Appeals
Income-Tax Act, 1961	Income Tax	5.7	-	AY 2018-19	CIT Appeals”

(viii) As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

(ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management. Further, the auditor of the erstwhile subsidiary has reported that "Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year."

(xi) The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 18 of our main audit report. Further, the auditor of the erstwhile subsidiary has reported that "According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company."

(xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. Further, the auditor of the erstwhile subsidiary has reported that "According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company."

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are 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, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 048125
UDIN: 21048125AAAADV4266

Place: Pune
Date: August 23, 2021

Balance Sheet as at 31 March 2021

(Currency : INR in million)

	Note	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	**26,390**	27,043
Right-of-use assets	4	**8,246**	9,226
Capital work-in-progress	5	**110**	666
Intangible assets	6	**85**	152
Financial assets			
Investments	7	**43,557**	4,114
Others	8	**1,472**	1,363
Deferred tax assets (net)	9	**8,360**	12,081
Income tax assets (net)	34	**8,304**	8,017
Other non-current assets	10	**1,302**	1,366
Total non-current assets		**97,826**	64,028
Current assets			
Financial assets			
Investments	11	**37,746**	53,590
Trade receivables	12	**25,028**	23,140
Cash and cash equivalents	13	**7,608**	12,677
Bank balances other than cash and cash equivalents	14	**1**	2
Others	15	**1,730**	1,480
Other current assets	16	**5,063**	8,600
Total current assets		**77,176**	99,489
TOTAL ASSETS		**175,002**	163,517
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	**591**	591
Other equity	18	**142,244**	125,131
Total equity		**142,835**	125,722
Non-current liabilities			
Financial liabilities			
Lease liabilities	19	**6,063**	6,952
Others	20	**68**	781
Provisions	21	**3,521**	7,996
Total non-current liabilities		**9,652**	15,729
Current liabilities			
Financial liabilities			
Trade and other payables	22		
- Due to micro and small enterprises		**12**	17
- Due to other than micro and small enterprises		**4,812**	5,642
Lease liabilities	23	**1,741**	1,626
Others	24	**3,254**	4,257
Other current liabilities	25	**4,147**	3,492
Provisions	26	**6,822**	5,674
Income tax liabilities (net)	34	**1,727**	1,358
Total current liabilities		**22,515**	22,066
Total liabilities		**32,167**	37,795
TOTAL EQUITY AND LIABILITIES		**175,002**	163,517

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

As per our report of even date attached

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No.: 012754N/ N500016

Jeetendra Mirchandani
Partner
Membership No: 048125

Place : Pune
Date : 23 August 2021

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

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

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

Armin Billimoria
Company Secretary
FCS - 8637
Place : Mumbai
Date : 23 August 2021

Sujit Sircar
Chief Financial Officer
Place : Bengaluru

Statement of Profit and Loss for the year ended 31 March 2021

(Currency : INR in million)

	Note	**31 March 2021**	31 March 2020
Revenue from operations	27	**149,707**	147,135
Other income	28	**3,590**	5,694
Total income		**153,297**	152,829
Expenses			
Employee benefit expense	29	**106,988**	98,877
Finance costs	30	**718**	715
Depreciation and amortisation expense	31	**6,774**	6,725
Other expenses	32	**15,768**	23,363
Total expenses		**130,248**	129,680
Profit before tax		**23,049**	23,149
Tax expense:	34		
Current tax		**5,857**	5,141
Deferred tax		**2,403**	2,311
Profit for the year		**14,789**	15,697
Other comprehensive income / (loss)	33		
(i) Items that will not be reclassified subsequently to Statement of Profit and Loss			
Remeasurements of post-employment benefit obligations (Net)		**3,447**	(4,450)
Income tax relating to above item		**(862)**	1,035
(ii) Items that will be reclassified subsequently to Statement of Profit and Loss			
The effective portion of gain / (loss) on hedging instruments accounted for as cash flow hedges		**194**	(271)
Income tax relating to above item		**(67)**	95
Exchange differences on translation of foreign operations		**10**	225
Total other comprehensive income / (loss), net of tax		**2,722**	(3,366)
Total comprehensive income for the year		**17,511**	12,331
Earnings per equity share			
Basic and diluted earnings per equity share (face value of Rs. 10 each)	39	**INR 250.07**	INR 265.42

The accompanying notes form an integral part of the standalone financial statements
As per our report of even date attached

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No.: 012754N/ N500016

For and on behalf of the Board of Directors of
Capgemini Technology Services India Limited
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Company Secretary
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Place : Mumbai
Date : 23 August 2021

Sujit Sircar
Chief Financial Officer
Place : Bengaluru

Place : Pune
Date : 23 August 2021

Statement of Cash Flows for the year ended 31 March 2021

(Currency : INR in million)

		31 March 2021	31 March 2020
A.	**Cash flows from operating activities**		
	Profit before tax	**23,049**	23,149
	Adjustments for:		
	Depreciation and amortisation expenses	**6,774**	6,725
	Income on mutual funds	**(2,687)**	(3,041)
	Profit on sale of non - current investments	**(4)**	-
	Provisions no longer required written back	**(12)**	-
	Provision for doubtful trade receivables written (back) / off	**(242)**	75
	Bad trade receivables written off	**319**	45
	Other provision	**166**	-
	Provision for doubtful security deposits	**60**	-
	Profit on sale / disposal of assets (net)	**(166)**	(78)
	Interest on deposits with banks	**(556)**	(1,040)
	Other interest (including interest on income tax and service tax refunds)	**(10)**	(142)
	Interest on income tax	**78**	81
	Interest on lease obligations	**637**	631
	Interest under MSMED Act, 2006	**3**	3
	Employee stock compensation expense	**1,172**	321
	Unrealised foreign currency (gain)/loss (net)	**160**	(135)
	Operating profit before working capital changes	**28,741**	26,594
	Changes in working capital		
	Decrease in trade and other payables	**(980)**	(2,201)
	(Decrease) / increase in other current financial liabilities	**(2)**	215
	Decrease in other non-current financial liabilities	**-**	(69)
	Increase in other current liabilities	**576**	120
	Increase in current provisions	**1,107**	767
	(Decrease) / increase in non-current provisions	**(1,282)**	871
	Increase in trade receivables	**(1,836)**	(1,380)
	Decrease / (increase) in non-current assets	**152**	(166)
	Decrease / (increase) in other current assets	**3,619**	(1,803)
	(Increase) / decrease in other financial assets	**(249)**	193
	Cash flows from investing activities	**29,846**	23,141
	Taxes paid, net	**(5,263)**	(4,559)
	Net cash generated from operating activities	**24,583**	18,582
B.	**Cash flows from investing activities**		
	Purchase of tangible and intangible assets	**(3,764)**	(4,433)
	Proceed from sale of tangible and intangible assets	**110**	152
	Purchase of non-current investments	**(43,490)**	(4,114)
	Proceed from sale of non-current investments	**8**	-
	Purchase of current investments	**(178,946)**	(178,763)
	Proceed from sale of current investments	**197,479**	166,395
	Proceeds from margin money deposits	**1**	-
	Loan repaid by related party	**161**	-
	Interest received on fixed deposits	**751**	1,003
	Net cash used in investing activities	**(27,690)**	(19,760)

Statement of Cash Flows for the year ended 31 March 2021

(Currency : INR in million)

		31 March 2021	31 March 2020
C.	**Cash flows from financing activities**		
	Interest on lease obligations	**(637)**	(631)
	Payment towards share based payment liability	**(944)**	-
	Payment of lease liabilities	**(1,744)**	(1,674)
	Net cash used in financing activities	**(3,325)**	(2,305)
	Net decrease in cash and cash equivalents (A+B+C)	**(6,432)**	(3,483)
	Effect of exchange differences on translation of foreign currency cash and cash equivalent	**(20)**	61
	Add: Effect of merger (refer note 35)	**1,383**	1
	Cash and Cash equivalents at the beginning of the year	**12,677**	16,098
	Cash and Cash equivalents at the end of the year	**7,608**	12,677
Notes :			
1)	**Reconciliation of cash and cash equivalents:**		
	Cash and cash equivalents comprise of:		
	Remittances in transit	**-**	532
	Current accounts	**580**	461
	EEFC accounts	**1,766**	214
	Deposit accounts	**5,262**	11,470
	Cash and Cash equivalents at the end of the year	**7,608**	12,677

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

3) For non-cash investing activity, refer additions to right-of-use assets in note 4.

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

The accompanying notes form an integral part of the standalone financial statements
As per our report of even date attached

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No.: 012754N/ N500016

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

Jeetendra Mirchandani
Partner
Membership No: 048125

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

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

Armin Billimoria
Company Secretary
FCS - 8637
Place : Mumbai
Date : 23 August 2021

Sujit Sircar
Chief Financial Officer
Place : Bengaluru

Place : Pune
Date : 23 August 2021

Statement of Changes in Equity (SOCIE) for the year ended 31 March 2021

(Currency : INR in million)

(a) Equity share capital

	31 March 2021	31 March 2020
Equity share capital balance at the beginning	**591**	591
Movement during the year	**-**	-
Equity share capital balance at the end	**591**	591

(b) Other equity

Particulars	Attributable to the equity holders of the Company											
	Reserves and surplus								Items of Other comprehensive income			
	Capital reserve	Building revaluation reserve	Securities premium	Capital redemption reserve	General reserve	Share based payment reserve	Special Economic Zone re-investment reserve	Retained earnings	Effective portion of cash flow hedge	Exchange differences on translation of foreign operations	Remeas-urements of post-employ-ment benefit obligations	Total Other equity
Balance as at 31 March 2019	**(1,952)**	**1**	**872**	**336**	**1,570**	**409**	**54**	**111,328**	**49**	**(235)**	**44**	**112,476**
Effect of merger of IIMSL (refer note 35)	5	-	-	-	-	-	-	(53)	-	-	-	(48)
Debit balance of capital reserve net off with retained earnings as per Ind AS 103	1,952	-	-	-	-	-	-	(1,952)	-	-	-	-
Impact of first - time adoption of Ind AS 116	-	-	-	-	-	-	-	51	-	-	-	51
Employee stock compensation expense for the year (refer note 44)	-	-	-	-	-	13	-	-	-	-	-	13
Employee stock compensation expense for performance share 2016 plan (refer note 44)	-	-	-	-	-	308	-	-	-	-	-	308
Utilisation from Special Economic Zone re-investment reserve	-	-	-	-	-	-	(54)	54	-	-	-	-
Transferred to Special Economic Zone re-investment reserve	-	-	-	-	-	-	296	(296)	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	15,697	-	-	-	15,697
Other comprehensive income for the year	-	-	-	-	-	-	-	-	(176)	225	(3,415)	(3,366)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15,697**	**(176)**	**225**	**(3,415)**	**12,331**
Balance at 31 March 2020	**5**	**1**	**872**	**336**	**1,570**	**730**	**296**	**124,829**	**(127)**	**(10)**	**(3,371)**	**125,131**

(Currency : INR in million)

Particulars	Attributable to the equity holders of the Company											
	Reserves and surplus								Items of Other comprehensive income			
	Capital reserve	Building revaluation reserve	Securities premium	Capital redemption reserve	General reserve	Share based payment reserve	Special Economic Zone reinvestment reserve	Retained Earnings	Effective portion of cash flow hedges	Exchange differences on translation of foreign operations	Remeasurements of post-employment benefit obligations	Total Other equity
Balance as at 31 March 2020	**5**	**1**	**872**	**336**	**1,570**	**730**	**296**	**124,829**	**(127)**	**(10)**	**(3,371)**	**125,131**
Effect of merger of Liquidhub Analytics Limited (LHA) and Liquidhub India Limited (LHI) (refer note 35)	-	-	41	-	15	-	-	2,114	-	-	-	2,170
Capital reserve recognised on merger of LHA and LHI (refer note 35)	-	-	-	-	-	-	-	(4,077)	-	-	-	(4,077)
Employee stock compensation expense for the year (refer note 44)	-	-	-	-	-	1,172	-	-	-	-	-	1,172
Employee stock compensation expense previously classified as liability awards now classified as equity awards (refer note 44)	-	-	-	-	-	1,281	-	-	-	-	-	1,281
Recharge of employee stock compensation expense from the ultimate parent company	-	-	-	-	-	(514)	-	(430)	-	-	-	(944)
Utilisation from Special Economic Zone re-investment reserve	-	-	-	-	-	-	(113)	113	-	-	-	-
Transferred to Special Economic Zone Re-investment Reserve (Includes an amount of Rs 130 for the previous year)	-	-	-	-	-	-	480	(480)	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	14,789	-	-	-	14,789
Other comprehensive income for the year	-	-	-	-	-	-	-	-	127	10	2,585	2,722
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14,789**	**127**	**10**	**2,585**	**17,511**
Balance at 31 March 2021	**5**	**1**	**913**	**336**	**1,585**	**2,669**	**663**	**136,858**	**-**	**-**	**(786)**	**142,244**

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

As per our report of even date attached

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No.: 012754N/ N500016

Jeetendra Mirchandani
Partner
Membership No: 048125

Place : Pune
Date : 23 August 2021

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

Srinivasa Rao Kandula
Wholetime Director & Chairman
DIN: 07412426
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DIN: 07799277
Place : Mumbai

Armin Billimoria
Company Secretary
FCS - 8637
Place : Mumbai
Date : 23 August 2021

Sujit Sircar
Chief Financial Officer
Place : Bengaluru

Notes to the financial statements as at 31 March 2021

(Currency : INR in million)

1 Corporate overview

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

2 Significant accounting policies

2.1 Statement of compliance and basis of preparation

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

The Scheme of Amalgamation of IGATE Infrastructure Management Services Limited (IIMSL) with the Company was approved by the National Company Law Tribunal, Mumbai (NCLT) on 8 June 2021 with effect from 1 April 2017 (appointed date). These financial statements include the impact of the aforementioned Scheme of Amalgamation as further explained in note 35.

Further, the Scheme of Amalgamation of LiquidHub India Private Limited (LHI) and Liquidhub Analytics Private Limited (LHA) with the Company was approved by the National Company Law Tribunal, Mumbai (NCLT) on 24 June 2021 with effect from 1 April 2020 (appointed date). These financial statements include the impact of the aforementioned Scheme of Amalgamation as further explained in note 35

New and amended standards adopted by the Company

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2020:

- Definition of Material - amendments to Ind AS 1 and Ind AS 8
- Definition of a Business - amendments to Ind AS 103
- COVID-19 related concessions - amendments to Ind AS 116
- Interest Rate Benchmark Reform - amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.2 Functional currency and presentation currency

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

2.3 Use of estimates

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

Revenue recognition

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

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

Taxes

The Company provides for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized. MAT (Minimum Alternate Tax) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and is included in deferred tax assets. The Company reviews the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will be able to absorb such credit during the specified period.

Business combination

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

Defined benefit plans and compensated absences

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

Allowance for trade receivables

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

Useful life of property, plant and equipment

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

Impairment of non-financial assets

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any indication exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Also, Goodwill is tested for impairment on an annual basis and accordingly, the recoverable amount is estimated on an annual basis.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. 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 ssessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are combined together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Provisions and contingent liabilities

Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates. The Company uses significant judgement to disclose contingent liabilities.

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

2.4 Business combinations

Business combinations (other than common control business combinations)

In accordance with Ind AS 103, the Company accounts for these business combinations using the acquisition method when control is transferred to the Company. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

The excess of the

- consideration transferred.
- amount of any non-controlling interest in the acquired entity, and
- acquisition date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill.

The goodwill that arises is tested annually for impairment.

Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

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

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

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

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

Common control business combinations

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

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

2.5 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:

- it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- 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. Deferred tax assets are classified as non-current asset.

All other assets are classified as non-current.

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. Deferred tax liabilities are classified as non-current 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 is considered as operating cycle.

2.6 Property, plant and equipment

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

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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

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

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

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

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

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

2.7 Capital work in progress

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

2.8 Depreciation on property, plant and equipment

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

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

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

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

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

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

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

2.9 Intangible assets

Goodwill

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Acquired intangible assets

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

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

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

asset and are recognised in the Statement of Profit and Loss.

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

2.10 Leases

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

The Company recognises lease liability at the present value of the future lease payments for non-cancellable period of a lease which is not short term in nature, except for lease of low value items.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

The future lease payments for non-cancellable period is discounted using the Company's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the Company under residual value guarantee, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease if the lease term considered reflects that the Company shall exercise termination option. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The Company also recognises a right-of-use asset which comprises of amount of initial measurement of the lease liability, any initial direct cost incurred by the Company and estimated costs to dismantle or remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payment, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease lability is remeasured in this way, a corresponding adjustment is made to carrying amount of the right-of-use asset, or is recorded in the Statement of Profit and Loss if the carrying value of the right-of-use asset has been reduced to zero.

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

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

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.11 Investments

The Company has accounted the investment in subsidiary at cost.

2.12 Revenue recognition

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

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

(i) Time and material contracts

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

(ii) Fixed price contracts

Revenue from fixed-price development contracts is recognized using the percentage of completion method, under which the contract performance is determined by relating the actual costs incurred to date to the estimated total costs for each contract. The cost incurred (or input) method is used to measure progress as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion, revenue is recognized only to the extent contract costs incurred, for which recoverability is probable. The related costs on deliverable- based contracts are expensed as incurred.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The Company earns contractually the right to bill upon achievement of specified milestones or upon customer acceptance of work performed. The difference between cumulative billings and cumulative revenue recognised is reflected in the balance sheet as contract assets or contract liabilities.

(iii) Fixed price maintenance contracts

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

(iv) Others

- As part of its operational activities, the Company may be required to resell hardware, software and services purchased from third-party suppliers to its customers. The Company acts as a “principal” when it obtains control of the hardware, software or services before transferring them to the customer. In such case, the transaction is presented on a gross basis in the Statement of Profit and Loss. If the Company acts as an “agent”, the transaction is presented on a net basis in the Statement of Profit and Loss. For example, transactions are recorded on a net basis when the Company does not have the primary responsibility for the fulfilment of the contract and does not bear inventory and customer acceptance risk.
- Revenue from services rendered to parent company, ultimate parent company and fellow subsidiaries is recognized on cost plus mark-up basis determined on arm’s length principle as and when the related services are rendered.
- Revenue on multi-deliverable contracts is recognised applying the appropriate method as specified above, depending on the performance obligations identified. The transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin.
- The Company does not expect to have any contracts where the period between the transfer of the promised services or goods to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

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

Costs to obtain and fulfill contracts

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

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

Other costs incurred to fulfill a contract are expensed as incurred, with the exception of certain initial set- up costs, such as transition and transformation costs.

Reimbursements received from customers are recognised as revenue.

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

Contract Assets and Liabilities

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

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

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

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

(v) Judgements in revenue recognition

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

(vi) Recognition of dividend income, interest income or expense

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

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

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

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

2.13 Government grant

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established and there is no uncertainty in receiving the same.

2.14 Foreign currency transactions and balances

Initial recognition

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

Translation

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

- equity investments at fair value through OCI (FVOCI); and

- qualifying cash flow hedges to the extent that the hedges are effective.

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

Translation of foreign operations

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

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

2.15 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.

(ii) Post-employment benefits

(a) Defined benefit plan - Provident fund

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

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

Further, based on the legal opinion obtained from an independent legal counsel, the Company is obligated to make good the loss incurred by the Trust in respect of bad investments. The liability is determined based on actuarial valuation.

(b) Defined contribution plan - Provident fund

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

(c) Defined benefit plan - Gratuity

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

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

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

(d) Defined benefit plan - Pension

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

Notes to the financial statements as at 31 March 2021 *(Contd.)* *(Currency : INR in million)*

(iii) Other long-term employee benefit obligations

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. The obligation in respect of compensated absences is provided on the basis of an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan is based on the market yields as at the balance sheet date on Government securities, having maturity periods approximating to the terms of the related obligations. Actuarial gains and losses are recognized in other comprehensive income, net of taxes, for the period in which they occur. To the extent the Company does not have an unconditional right to defer the utilization or encashment of the accumulated compensated absences, the liability determined based on actuarial valuation is considered to be a current liability.

2.16 Employee stock compensation

Employees of erstwhile IGATE Global Solutions Limited (IGSL)

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

Performance and employment linked share plan

Capgemini SE, the ultimate parent company has also allocated performance and employment linked shares of the ultimate parent company to the employees of the Company. The grant of such performance and employment linked shares relate to the share capital of the ultimate parent company and has no impact on the Company's share capital. Upon vesting of these shares, the ultimate parent company may recharge the cost of acquisition of these shares to the Company.

Till the year ended 31 March 2020, the Company recognised such compensation costs based on liability method. For this purpose, these employees stock-based awards' were valued at fair value as at closing date. Such stock-based awards' compensation expenses were recognised under "Employee benefit expense" in the Statement of Profit and Loss on a straight-line basis over the vesting period with a corresponding credit to Other current / Non-current financial liabilities.

However, during the year ended 31 March 2021, in accordance with Ind AS 102 - Share-based payments the Company has recognised these compensation costs based on equity method. Accordingly, these employees stock-based awards' were valued at fair value as at grant date. The stock-based awards' compensation expenses are recognised under "Employee benefit expense" in the Statement of Profit and Loss on a straight-line basis over the vesting period with a corresponding credit to share-based payment reserve in other equity. On receipt of recharge invoice for a particular plan from the ultimate parent company, the Company utilises the credit available in share-based payment reserve against such plan. Any excess recharge by the ultimate parent company is adjusted in retained earnings.

Employee share ownership plan

Capgemini SE, the ultimate parent company, has set up an employee share ownership plan, where eligible employees of the Company were invited to subscribe to the shares of the ultimate parent company at a discount of 12.5% to the current market price of the ultimate parent company shares. The grant of such option relates to share capital of ultimate parent company and has no impact on the Company's share capital. Accordingly, expenses relating to these employee share ownership plans are recognised under "Employee benefit expense" in the Statement of Profit and Loss on a straight-line basis over the vesting period with a corresponding credit to Share based payment reserve in other equity.

2.17 Income taxes

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

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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

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

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

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

2.18 Earnings per share

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

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

2.19 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.

2.20 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.

Notes to the financial statements as at 31 March 2021 *(Contd.)* *(Currency : INR in million)*

2.21 Cash Flows

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

2.22 Financial instruments

(i) Recognition and initial measurement

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

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

(ii) Classification and subsequent measurement

Financial assets

Initial recognition and measurement

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

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

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

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

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

(iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

(iv) Offsetting

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

(v) Derivative instruments and hedge accounting

The Company uses derivative financial instruments (foreign currency forward 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.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

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The Company designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, the Company documents the economic relationship between hedging instruments and hedged items including whether the changes in the cash flows of the hedging instrument are expected to offset changes in cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking its hedge transactions.

Cash Flow Hedges

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

The Company designates the full change in fair value of the forward contract (including forward points) as the hedging instrument. The gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity. For hedged forecast transactions, the amount accumulated in other equity is reclassified to the Statement of Profit and Loss in the same period or periods during which the hedged expected future cash flows affect profit or loss. If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, it is reclassified to the Statement of Profit and Loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the Statement of Profit and Loss.

Embedded foreign currency derivatives

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- the functional currency of any substantial party to that contract,
- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit or loss. The Company currently does not have any such derivatives which are not closely related.

2.23 Impairment

(i) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

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

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

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

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

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

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

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

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

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

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

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

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

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

Measurement of expected credit losses

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

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

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

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

Write-off

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

(ii) Impairment of non-financial assets

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

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

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

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

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

2.24 Segment Information

The Company publishes the standalone financial statements of the Company along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

2.25 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.26 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

3 Property, plant and equipment

	Freehold land (refer note a)	Leasehold land (refer note a)	Buildings (refer note a)	Computers	Office equipment	Furniture and fixtures	Leasehold improvements	Vehicles	Total
Gross block									
Balance as at 1 April 2019	269	1,610	18,453	12,302	11,319	7,435	3,365	156	54,909
Transfer to right-of-use assets	-	(1,610)	-	-	-	-	-	(45)	(1,655)
Additions	-	-	1,229	1,959	1,379	914	509	-	5,990
Disposals	-	-	-	(1,088)	(226)	(157)	(398)	(2)	(1,871)
At 31 March 2020	269	-	19,682	13,173	12,472	8,192	3,476	109	57,373
Effect of merger of LHA and LHI	-	-	-	134	37	15	146	-	332
Additions	-	-	277	2,605	455	339	140	-	3,816
Disposals	-	-	(13)	(751)	(217)	(99)	(220)	(2)	(1,302)
At 31 March 2021	**269**	**-**	**19,946**	**15,161**	**12,747**	**8,447**	**3,542**	**107**	**60,219**
Accumulated depreciation									
Balance as at 1 April 2019	-	(165)	(3,333)	(9,456)	(7,597)	(4,743)	(2,330)	(126)	(27,750)
Transfer to right-of-use asset	-	165	-	-	-	-	-	30	195
Charge for the year	-	-	(595)	(1,847)	(1,195)	(504)	(386)	(10)	(4,537)
Disposals	-	-	-	1,058	207	142	353	2	1,762
At 31 March 2020	-	-	(3,928)	(10,245)	(8,585)	(5,105)	(2,363)	(104)	(30,330)
Effect of merger of LHA and LHI	-	-	-	(60)	(13)	(9)	(55)	-	(137)
Charge for the year	-	-	(616)	(2,103)	(1,023)	(526)	(361)	(2)	(4,631)
Disposals	-	-	8	748	201	94	216	2	1,269
At 31 March 2021	**-**	**-**	**(4,536)**	**(11,660)**	**(9,420)**	**(5,546)**	**(2,563)**	**(104)**	**(33,829)**
Net block									
At 31 March 2020	269	-	15,754	2,928	3,887	3,087	1,113	5	27,043
At 31 March 2021	**269**	**-**	**15,410**	**3,501**	**3,327**	**2,901**	**979**	**3**	**26,390**

(a) Freehold land and building thereon of gross block Rs. 204 (31 March 2020: Rs. 2,734) and accumulated depreciation amounting to Rs. 97 (31 March 2020: Rs. 1,024) is pending name change / registration in the name of the Company pursuant to merger of Capgemini India Private Limited with the Company.

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

4 Right-of-use assets

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

	Leasehold land (refer note a)	Lease Building	Lease Computer Equipment	Lease Vehicles	Total
Gross Block					
Balance as at 1 April 2019	-	-	-	-	-
Addition on account of transition to Ind AS 116	1,445	8,028	48	31	9,552
Additions	-	1,978	-	5	1,983
Disposals / termination	-	(386)	-	(2)	(388)
At 31 March 2020	1,445	9,620	48	34	11,147
Effect of merger of LHA and LHI	-	368	-	-	368
Additions	-	1,544	-	-	1,544
Movement on account of lease modification	-	(298)	-	-	(298)
Disposals / termination	-	(1,149)	(17)	(7)	(1,173)
At 31 March 2021	**1,445**	**10,085**	**31**	**27**	**11,588**
Accumulated depreciation					
Balance as at 1 April 2019	-	-	-	-	-
Charge for the year	(17)	(1,926)	(30)	(18)	(1,991)
Disposals / termination	-	70	-	-	70
At 31 March 2020	(17)	(1,856)	(30)	(18)	(1,921)
Effect of merger of LHA and LHI	-	(106)	-	-	(106)
Charge for the year	(17)	(1,974)	(14)	(10)	(2,015)
Disposals / termination	-	677	17	6	700
At 31 March 2021	**(34)**	**(3,259)**	**(27)**	**(22)**	**(3,342)**
Net Block					
At 31 March 2020	1,428	7,764	18	16	9,226
At 31 March 2021	**1,411**	**6,826**	**4**	**5**	**8,246**

a) Leasehold land of gross block Rs. 197 (31 March 2020 Rs. 178) and accumulated depreciation amounting to Rs. 20 (31 March 2020 Rs. 17) is pending name change / registration in the name of the Company pursuant to merger of Capgemini India Private Limited with the Company.

Amounts recognised in Statement of Profit and Loss

Particulars	31 March 2021	31 March 2020
Gain on lease modifications	110	42
Amortisation of right-of-use assets	2,015	1,991
Interest on lease liabilities	637	631
Expenses relating to short-term lease	11	-

Amounts recognised in Statement of Cash Flows

Particulars	31 March 2021	31 March 2020
Interest on lease obligations	(637)	(631)
Payment of lease liabilities	(1,744)	(1,674)

Transition to Ind AS 116:

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

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

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

The Company has used a single discount rate to a portfolio of leases with similar characteristics.

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

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

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

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

Finance Lease:

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

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

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

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

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

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

5 Capital work-in-progress

Balance as at 1 April 2019	2,549
Transferred to right-of-use assets	(44)
Additions	4,204
Capitalisation	(6,043)
At 31 March 2020	666
Additions	3,300
Capitalisation	(3,856)
At 31 March 2021	**110**

6 Intangible assets

	Computer software	Total
Gross block		
Balance as at 1 April 2019	3,120	3,120
Additions	53	53
Disposals	(36)	(36)
At 31 March 2020	3,137	3,137
Effect of merger of LHA and LHI	9	9
Additions	57	57
At 31 March 2021	**3,203**	**3,203**
Amortisation		
Balance as at 1 April 2019	(2,796)	(2,796)
Charge for the year	(197)	(197)
Disposals	8	8
At 31 March 2020	(2,985)	(2,985)
Effect of merger of LHA and LHI	(5)	(5)
Charge for the year	(128)	(128)
At 31 March 2021	**(3,118)**	**(3,118)**
Net block		
At 31 March 2020	152	152
At 31 March 2021	**85**	**85**

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

			31 March 2021	31 March 2020
7	**Investments**			
		Non-current		
		Investment carried at cost		
		Unquoted equity instruments		
		Investment in shares of bank		
	a)	The Saraswat Co-operative Bank Limited *	**-**	-
		1,530 (31 March 2020: 1,530) shares of Rs.10 each fully paid up		
	b)	The Kapol Co-operative Bank Limited*	**-**	-
		10 (31 March 2020: 10) shares of Rs.10 each fully paid up		
		Investment in equity of subsidiaries		
		Liquidhub Analytics Private Limited	**-**	2,299
		[Nil equity shares of Rs. 10 each fully paid-up (31 March 2020: 37,345,685)]		
		Liquidhub India Private Limited	**-**	1,815
		[Nil equity shares of Rs. 10 each fully paid-up (31 March 2020: 10,000)]		
		Annik Inc.	**1**	-
		[25,000 equity shares of USD. 1 each fully paid-up (31 March 2020: Nil)]		
		Annik UK Ltd.*	**-**	-
		[1,000 equity shares of GBP. 1 each fully paid-up (31 March 2020: Nil)]		
		Liquidhub Pte Ltd	**2**	-
		[50,100 equity shares of SGD. 1 each fully paid-up (31 March 2020 : Nil)]		
		Aricent Technologies (Holdings) Limited	**43,018**	-
		[128,906,056 equity shares of Rs. 10 each fully paid-up (31 March 2020: Nil)]		
		Solcen Technologies Private Limited	**536**	-
		[10,000 equity shares of Rs. 10 each fully paid-up (31 March 2020: Nil)]		
			43,557	4,114

* amount below rounding off norm

(i) The Company acquired 37,345,685 shares in Liquidhub Analytics Private Limited (LHA) as per agreement dated 25 November 2019 at Rs. 61.56 per share on 2 December 2019. LHA has been merged into the Company w.e.f from 1 April 2020 (refer note 35(c)).

(ii) The Company acquired 10,000 shares in Liquidhub India Private Limited (LHI) as per agreement dated 28 November 2019 at Rs. 181,540.89 per share on 6 December 2019. LHI has been merged into the Company w.e.f from 1 April 2020 (refer note 35(d)).

(iii) The Company acquired 128,906,056 shares in Aricent Technologies (Holdings) Limited as per agreement dated 23 November 2020 at Rs. 333.72 per share.

(iv) The Company acquired 10,000 shares in Solcen Technologies Private Limited as per agreement dated 21 October 2020 at Rs. 53,584.89 per share.

(v) Pursuant to merger of LHA, the Company has acquired investment in Annik Inc., Annik UK Ltd. and Liquidhub Pte Ltd. (refer note 35(c)).

(vi) During the year, the Company liquidated its investment in Dalian Liquidhub Consulting Services Limited Company.

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

		31 March 2021	31 March 2020
8	**Other financial assets**		
	Non-current		
	Unsecured, considered good		
	Security deposits	**1,472**	1,363
	Unsecured, considered doubtful		
	Security deposits	**55**	31
	Less: Provision for doubtful deposits	**55**	31
		1,472	1,363
9	**Deferred tax assets (net)**		
	Deferred tax liabilities		
	Others	**-**	215
		-	215
	Deferred tax assets		
	Cash flow hedges	**-**	67
	Property, plant and equipment and intangible assets	**237**	3,708
	Provisions - employee benefits	**2,837**	3,154
	Provision for doubtful trade receivables	**172**	254
	Merger expenses	**42**	43
	MAT credit carried forward	**4,811**	5,070
	Others	**261**	-
		8,360	12,296
	Net deferred tax asset (refer note 34)	**8,360**	12,081
10	**Other non-current assets**		
	Capital advances	**55**	24
	Prepaid expenses	**417**	442
	Prepayment of pension liability	**23**	21
	Balances with statutory/government authorities (VAT/ Service tax credit receivable)	**765**	794
	Deferred contract costs	**42**	85
		1,302	1,366
11	**Investments**		
	Current		
	Investment carried at Fair Value Through Profit and Loss Mutual Funds (unquoted)		
	352,176 (31 March 2020 - 719,529) units in Axis Liquid fund direct plan growth	**805**	1,586
	199,961 (31 March 2020 - 634,512) units in Invesco Liquid Fund - Direct Plan Growth	**565**	1,731
	116,984 (31 March 2020 - 530,290) units in HDFC Liquid Fund Direct Plan Growth Option	**473**	2,072
	157,073 (31 March 2020 - 1,545,593) units in IDFC Cash Fund -Regular Plan-Growth Direct Plan	**390**	3,712
	45,960,176 (31 March 2020 - 61,636,075) units in IDFC Low Duration Fund Growth - Direct Plan	**1,409**	1,781
	4,174,107 (31 March 2020 - 6,353,105) units in ICICI Prudential Saving Fund- Direct Plan - Growth	**1,752**	2,480
	982,937 (31 March 2020 - 8,190,760) units in ICICI Prudential Liquid - Regular Plan - Growth Direct Plan	**300**	2,406
	1,795,545 (31 March 2020 - 11,786,425) units in Aditya Birla Sun Life Liquid Fund-Growth - Direct Plan (formerly Aditya Birla Sun Life Cash Plus - Growth Direct Plan)	**595**	3,766
	54,285 (31 March 2020 - 860,907) units in Tata Liquid Fund Direct Plan Growth	**176**	2,696

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	31 March 2021	31 March 2020
52,245,319 (31 March 2020 - 52,245,265) units in Kotak Savings Fund-Growth - Direct (formerly Kotak Treasury Advantage Direct Plan Growth)	**1,812**	1,716
262,488 (31 March 2020 - 728,941) units in HSBC Cash Fund Growth Direct Plan	**538**	1,441
17,381,382 (31 March 2020 - 19,209,449) units in HDFC Floating Rate Debt Fund - Direct Plan-Growth Plan	**666**	680
212,634 (31 March 2020 - 476,169) units in Axis Treasury Advantage Fund - Direct Growth	**528**	1,107
12,913,876 (31 March 2020 - 18,421,946) units in ICICI Prudential Money Market Fund - Direct Plan - Growth	**3,813**	5,145
53,448 (31 March 2020 - 315,355) units in Kotak Liquid Direct Plan Growth	**222**	1,266
4,639,352 (31 March 2020 - 4,639,520) units in Aditya Birla Sun Life Floating Rate Fund -	**1,256**	1,171
1,362,798 (31 March 2020 - 1,277,720) units in Kotak Money Market Scheme - Growth	**4,748**	4,233
65,405,663 (31 March 2020 - 158,573,449) units in IDFC Corporate Bond Fund Direct Plan- Growth	**999**	2,214
214,176 (31 March 2020 - 71,138) units in SBI Magnum Ultra Short Duration Fund Direct Growth	**1,011**	319
263,992 (31 March 2020 - 211,828) units in Invesco India Treasury Advantage Fund - Direct Plan Growth	**806**	606
Nil (31 March 2020 - 1,177,450) units in Aditya Birla Sun Life Savings Fund-Growth - Direct Plan	**-**	472
149,118,726 (31 March 2020 - 210,323,525) units in HDFC Ultra Short-Term Fund Direct Growth	**1,780**	2,368
Nil (31 March 2020 - 73,950,674) units in IDFC Ultra Short-Term Fund - Direct Plan - Growth	**-**	844
4,107,113 (31 March 2020 - 8,735,114) units in Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan (formerly known as Aditya Birla Sun Life Floating Rate Fund Short Term Plan)	**1,179**	2,367
Nil (31 March 2020 - 294,388) units in Invesco India Money Market Fund - Direct Plan Growth	**-**	681
94,526 (31 March 2020 - 538,486) units in Nippon India Liquidity Fund Direct Plan Growth Plan Growth Option	**476**	2,612
87,867 (31 March 2020 - 526,981) units in SBI Liquid Fund Direct Growth	**283**	1,639
167,585 (31 March 2020 - 167,585) units in DSP Liquidity Fund- Direct Plan Growth	**493**	476
7120.525 (31 March 2020– 7120.525) units in Birla sun Life Cash Plus - Growth -Direct Plan	**2**	3
202,068 (31 March 2020 - Nil) Units in Axis Banking and PSU debt Fund - Direct Growth [TA- DG]	**424**	-
817,535 (31 March 2020 - Nil) Units in Axis Money Market Fund Direct Growth	**905**	-
3,132,477 (31 March 2020 - Nil) Aditya Birla Sun Life Low Duration FUND Growth DIRECT	**1,729**	-
445,269 (31 March 2020 - Nil) units in HDFC Money Market Fund Direct Plan Growth option	**1,992**	-
1,309,847 (31 March 2020 - Nil) units in ICICI Prudential over night fund - Direct plan - Growth	**145**	-
21,758,997 (31 March 2020 - Nil) units in IDFC Banking and PSU debt Fund - Direct Plan Growth	**425**	-
17,908,678 (31 March 2020 - Nil) units in IDFC-Money Manager Fund- Growth Direct Plan	**603**	-
69,970 (31 March 2020 - Nil) units in IDFC Cash fund growth plan [Direct plan]	**174**	-
120,434 (31 March 2020 - Nil) units in Invesco India corporate bond fund - Direct plan Growth	**315**	-
1,110,742 (31 March 2020 - Nil) units in Nippon India money market Fund Direct plan growth Option	**3,577**	-
103,564 (31 March 2020 - Nil) units in Tata money market Fund Direct plan Growth	**380**	-
	37,746	53,590

12 Trade receivables (unsecured)

Trade receivables	**25,300**	23,642
Less: allowance for doubtful receivables	**272**	502
Considered good	**25,028**	23,140
Trade receivables	**203**	203
Less: allowance for doubtful receivables	**203**	203
Credit impaired	**-**	-
	25,028	23,140

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

	31 March 2021	31 March 2020
Trade receivables includes:		
Dues from related party (refer note 38)	**22,091**	19,693
Other receivables	**2,937**	3,447
	25,028	23,140

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

13 Cash and cash equivalents

Balance with banks :		
In current accounts	**580**	461
In EEFC accounts	**1,766**	214
In deposit accounts*	**5,262**	11,470
Remittances in transit	**-**	532
	7,608	12,677

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

14 Bank balances other than cash and cash equivalents

Current		
Balance with banks:		
Held as margin money with custom authorities	**1**	2

Deposit accounts include restricted bank balances Rs. 0.69 (31 March 2020 Rs. 1.57) held as margin money deposit against guarantee and Rs.0.1 (31 March 2020 Rs. 0.1) held as margin money against Uttar Pradesh VAT.

15 Other financial assets

Current		
Unsecured, considered good		
Derivative asset	**3**	-
Security deposits	**249**	482
Less: Provision for doubtful deposits	**36**	-
Advance to employees	**45**	196
Interest accrued on fixed deposit	**117**	309
Export incentives receivable	**-**	493
Unbilled revenue	**1,352**	-
	1,730	1,480

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

		31 March 2021	31 March 2020
16	**Other current assets**		
	Prepaid expenses	**2,208**	1,215
	Balances with Government authorities (GST credit receivable)	**531**	1,414
	Unbilled revenues	**1,831**	5,608
	Advance to vendors	**472**	342
	Deferred contract cost	**21**	-
	Other assets	**-**	21
		5,063	8,600
17	**Share capital**		
	Authorised:		
	256,100,000 (31 March 2020 - 256,050,000) equity shares of Rs. 10 each (refer note (i) & (ii) below)	**2561**	2561
	50,000,000 (31 March 2020 - Nil) equity shares of Re. 1 each (refer Note (iii) below)	**50**	-
	10,800,000 (31 March 2020 - 10,800,000) compulsorily convertible preference shares ('CCPS') of Rs. 10 each	**108**	108
	14,000,000 (31 March 2020 - 14,000,000) 5% 10-year redeemable non-cumulative preference shares of Rs. 10 each	**140**	140
	Issued, subscribed and fully paid up:		
	59,139,500 (31 March 2020 - 59,139,500) equity shares of Rs. 10 each	**591**	591

Notes -

i) The authorised share capital of the Company has increased to 256,050,000 equity shares of Rs. 10 each from 250,050,000 equity shares of Rs. 10 each w.e.f. 01 April 2019 pursuant to approval of the Scheme of Amalgamation of IGATE Infrastructure Management Services Limited vide order of National Company Law Tribunal, Mumbai bench dated 8 June 2021.

ii) There is further increase in the authorised share capital of the Company to 256,100,000 equity shares of Rs. 10 each from 256,050,000 equity shares of Rs. 10 each pursuant to approval of the Scheme of Amalgamation of Liquidhub India Private Limited vide order of National Company Law Tribunal, Mumbai bench dated 24 June 2021.

iii) The authorised share capital of the Company has a new class of equity shares of 50,000,000 equity shares of Re. 1 each pursuant to approval of the Scheme of Amalgamation of Liquidhub Analytics Private Limited vide order of National Company Law Tribunal, Mumbai bench dated 24 June 2021.

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

	31 March 2021		31 March 2020	
	Number of shares	**Amount**	Number of shares	Amount
Balance as at the beginning of the year	**59,139,500**	**591**	59,139,500	591
Add: Issued during the year	**-**	**-**	-	-
Balance as at the end of the year	**59,139,500**	**591**	59,139,500	591

b. Right, preferences and restrictions attached to equity shares

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

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

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

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

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

	31 March 2021		31 March 2020	
	Number of shares	**Amount**	Number of shares	Amount
Equity shares of Rs. 10 each, fully paid-up, held by				
Capgemini SE, ultimate parent company	**20,750,621**	**208**	20,750,621	208
Capgemini America Inc., subsidiary of Capgemini North America Inc.	**25,487,362**	**255**	25,487,362	255
Capgemini North America Inc., subsidiary of ultimate parent company	**12,764,378**	**128**	12,764,378	128
Balance as at the end of the year	**59,002,361**	**591**	59,002,361	591

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

	31 March 2021		31 March 2020	
	Number of shares	**% of total shares in the class**	Number of shares	% of total shares in the class
Equity shares of Rs. 10 each, fully paid-up, held by				
Capgemini SE, ultimate parent company	**20,750,621**	**35.09%**	20,750,621	35.09%
Capgemini America Inc., subsidiary of Capgemini North America Inc.	**25,487,362**	**43.10%**	25,487,362	43.10%
Capgemini North America Inc., subsidiary of ultimate parent company	**12,764,378**	**21.58%**	12,764,378	21.58%

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

There were no 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 2021	31 March 2020
18 Other equity		
Attributable to the equity holders of the parent		
Reserves and surplus		
Capital reserve	**5**	(1,952)
Opening balance	**-**	5
Effect of merger of IIMSL (refer note 35)	**-**	1,952
Debit balance of capital reserve net off with retained earnings as per Ind AS 103	**5**	5
Building revaluation reserve		
Opening balance	**1**	1
	1	1

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

	31 March 2021	31 March 2020
Securities premium		
Opening balance	**872**	872
Effect of merger of LHA and LHI (refer note 35)	**41**	-
	913	872
Capital redemption reserve		
Opening balance	**336**	336
	336	336
General reserve		
Opening balance	**1,570**	1,570
Effect of merger of LHA and LHI (refer note 35)	**15**	-
	1,585	1,570
Share based payment reserve		
Opening balance	**730**	409
Employee stock compensation expense for performance share 2016 plan (refer note 44)	**-**	308
Employee stock compensation expense for the year (refer note 44)	**1,172**	13
Employee stock compensation expense previously classified as liability awards now classified as equity awards (refer note 44)	**1,281**	-
Recharge of employee stock compensation expense from the ultimate parent company	**(514)**	-
	2,669	730
Special Economic Zone re-investment reserve		
Opening balance	**296**	54
Utilisation from Special Economic Zone re-investment reserve	**(113)**	(54)
Transferred to Special Economic Zone re-investment reserve (Includes an amount of Rs. 130 for the previous year)	**480**	296
	663	296
Retained earnings		
Opening balance	**124,829**	111,328
Effect of merger of IIMSL	**-**	(53)
Effect of merger of LHA and LHI (refer note 35)	**2,114**	-
Capital reserve on merger of LHA and LHI (refer note 35)	**(4,077)**	-
Debit balance of capital reserve net off with retained earnings as per Ind AS 103	**-**	(1,952)
Impact of first - time adoption of Ind AS 116	**-**	51
Recharge of employee stock compensation expense from the ultimate parent company	**(430)**	-
Utilisation from Special Economic Zone re-investment reserve	**113**	54
Transferred to Special Economic Zone re-investment reserve (Includes an amount of Rs. 130 for the previous year)	**(480)**	(296)
Profit for the year	**14,789**	15,697
	136,858	124,829
Total reserves and surplus	**143,030**	128,639

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

	31 March 2021	31 March 2020
Items of other comprehensive income		
Effective portion of cash flow hedges		
Opening balance	**(127)**	49
Other comprehensive income for the year	127	(176)
	-*	(127)
Exchange differences on translation of foreign operations		
Opening balance	**(10)**	(235)
Other comprehensive income for the year	**10**	225
	-	(10)
Remeasurements of post-employment benefit obligations		
Opening balance	**(3,371)**	44
Other comprehensive income for the year	**2,585**	(3,415)
	(786)	(3,371)
Total of items of other comprehensive income	**(786)**	(3,508)
Total of other equity	**142,244**	125,131

* amount below rounding off norm

Nature and purpose of reserves

1 **Capital Reserve**
Capital reserve represents the profit/(loss) on merger of subsidiary companies. However, in the absence of the capital reserve, consideration in excess of carrying value of the net assets (including the reserves) taken over is adjusted to the retained earnings.

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

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

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

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

6 **Share-based payment reserve**
Capgemini SE, the ultimate parent company allocated performance and employment linked shares to certain employees of the Company. The grant of such performance and employment linked shares relate to the share capital of the ultimate parent company and has no impact on the Company's share capital. The Company determines the compensation cost based on grant date fair value method. This amount is recognised in employee benefit expense in the Statement of Profit and Loss on a straight-line basis over the vesting period, with a corresponding adjustment to share based payment reserve (refer note 44).

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

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

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

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

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

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

		31 March 2021	31 March 2020
19	**Lease liabilities**		
	Non-current		
	Lease liabilities	**6,063**	6,952
	The break-up of current and non-current lease liabilities as at 31 March 2021 is as follows:		
	Particulars		
	Current lease liabilities	**1,741**	1,626
	Non-current lease liabilities	**6,063**	6,952
	Total	**7,804**	8,578
	The movement in lease liabilities during the year ended 31 March 2021 is as follows:		
	Particulars		
	Lease liabilities at the beginning of the year	**8,578**	8,629
	Addition pursuant to merger of LHA and LHI	**308**	-
	Addition	**1,245**	1,983
	Disposal	**(582)**	(360)
	Interest expense	**637**	631
	Lease payments	**(2,382)**	(2,305)
	Lease liabilities at the end of the year	**7,804**	8,578
20	**Other non-current financial liabilities**		
	Amounts payable under share-based payment plan	**-**	781
	Deferred purchase consideration	**64**	-
	Bonus and incentives	**4**	-
		68	781

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

		31 March 2021	31 March 2020
21	**Provisions**		
	Non-current		
	Provision for employee benefits		
	Gratuity (refer note 36)	**2,468**	3,125
	Other defined benefit obligation (refer note 36)	**491**	4,475
	Other provisions (refer note (a) below)	**562**	396
		3,521	7,996
(a)	**Movement in provision for contingencies**		
	Balance as at the beginning of the year	**396**	396
	Additions	**166**	-
	Balance as at the end of the year	**562**	396
	Current	**-**	-
	Non-Current	**562**	396
		562	396

Other provisions as at balance sheet date is mainly account of certain service tax related matters on input services amounting to Rs. 396 (31 March 2020 - Rs. 396). The provision is based on best estimate of the liability, as estimated by the Management and cash outflow if any, will depend on the ultimate outcome of the respective litigation.

		31 March 2021	31 March 2020
22	**Trade and other payables**		
	Due to micro and small enterprises (refer note 43)	**12**	17
	Due to other than micro and small enterprises	**4,812**	5,642
		4,824	5,659
	Trade and other payables includes:		
	Due to related parties (refer note 38)	**1,960**	975
	Other payables	**2,864**	4,684
		4,824	5,659
23	**Lease liabilities**		
	Current		
	Lease liabilities	**1,741**	1,626

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

		31 March 2021	31 March 2020
24	**Other financial liabilities**		
	Current		
	Capital creditors and other payables	**238**	653
	Interest accrued under MSMED Act, 2006 (refer note 43)	**42**	39
	Payable for retention money	**107**	414
	Amounts payable under share-based payment plan	**-**	497
	Bonus and incentives	**1,928**	1,268
	Employee salaries payable	**591**	678
	Derivative liability	**-**	243
	Other financial liabilities	**348**	465
		3,254	4,257
25	**Other current liabilities**		
	Current		
	Unearned revenue	**345**	250
	Book overdraft	**-**	9
	Statutory dues payable*	**3,802**	3,233
		4,147	3,492

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.
*Statutory dues payable comprises of -

Goods and Services Tax payable	**561**	365
Tax Deducted at Source payable	**2,764**	2,149
Provident Fund payable	**453**	692
Profession Tax payable	**19**	18
Employees State Insurance payable	**5**	9
	3,802	3,233

26	**Provisions**		
	Current		
	Provision for employee benefits		
	Compensated absences (refer note 36(d))	**5,899**	5,188
	Gratuity (refer note 36 (a))	**9**	-
	Other defined benefit obligation (refer note 36(c))	**914**	486
		6,822	5,674

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

		31 March 2021	31 March 2020
27	**Revenue from operations**		
	Revenue from software operations	**149,707**	147,135
	Revenue from software operations includes Rs. 3,288 (previous year Rs.8,710) towards out of pocket expenses reimbursed by the customers.		
	Disaggregate revenue information		
	The table below presents disaggregated revenues from contracts with customers by contract type and geography:		
	Revenue by contract type :		
	Time & material contracts	**145,414**	142,958
	Fixed price contracts	**977**	2,178
	Fixed price maintenance contracts	**3,316**	1,999
	Total	**149,707**	147,135
	Revenue by geography:		
	America	**64,339**	60,935
	Europe	**58,071**	61,724
	India	**19,267**	17,028
	Rest of the world	**8,030**	7,448
	Total	**149,707**	147,135
	Reconciliation of revenue recognized with the contracted price is as follows:		
	Contracted price	**149,922**	147,327
	Less: Discounts	**215**	192
	Revenue recognised	**149,707**	147,135

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2021 is Rs 1,430 (31 March 2020: Rs 1,115). Out of this, the Company expects to recognize revenue of around 99.9% (31 March 2020: 98.4%) within the next one year and the remaining thereafter.

All other IT consulting contracts are for periods of one year or less or are billed based on time incurred. As permitted under Ind AS 115, the transaction price allocated to these unsatisfied contracts is not disclosed.

The Company has presented contract assets as “unbilled revenues” in other current assets and contract liabilities as “unearned revenues” in other current liabilities in the balance sheet. Contract assets that are no longer contingent, except for the passage of time, are shown under financial assets.

	31 March 2021		31 March 2020	
	Contract assets / Unbilled revenue	Contract liabilities	Contract assets / Unbilled revenue	Contract liabilities
Opening balance	**5,608**	**(250)**	3,018	(180)
Revenue recognised during the year	**3,183**	**250**	5,608	180
Invoices raised during the year	**(5,608)**	**(345)**	(3,018)	(250)
Balances as at the end of the year	**3,183**	**(345)**	5,608	(250)

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

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

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

		31 March 2021	31 March 2020
28	**Other income**		
	Interest on deposits with banks	**556**	1,040
	Other interest (including interest on income tax and service tax refunds)	**10**	142
	Profit on sale of non-current investments (refer note below)	**4**	-
	Income on mutual funds	**2,687**	3,041
	Provisions no longer required written back	**12**	-
	Profit on sale / disposal of assets (net)	**166**	78
	Export incentives	**-**	926
	Other miscellaneous income	**155**	467
		3,590	5,694

Note: During the year, the Company liquidated its investment in Dalian Liquidhub Consulting Services Limited Company amounting to Rs. 8 and recognised profit of Rs. 4.

		31 March 2021	31 March 2020
29	**Employee benefits expense**		
	Salaries, bonus and incentives	**98,020**	90,393
	Contribution to provident and other funds (refer note 36(c))	**4,595**	4,071
	Retirement benefits expense (refer note 36(a) & 36(b))	**1,510**	1,280
	Compensated absences	**1,273**	1,534
	Employee stock compensation expense (refer note 44)	**1,172**	771
	Staff welfare expenses	**418**	828
		106,988	98,877
30	**Finance costs**		
	Interest on lease obligations	**637**	631
	Interest under MSMED Act, 2006	**3**	3
	Interest on Income Tax	**78**	81
		718	715
31	**Depreciation and amortisation expenses**		
	Depreciation of property, plant and equipment (refer note 3)	**4,631**	4,537
	Depreciation of right-of-use assets (refer note 4)	**2,015**	1,991
	Amortisation of intangible assets (refer note 6)	**128**	197
		6,774	6,725

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

		31 March 2021	31 March 2020
32	**Other expenses**		
	Sub-contracting expenses	**2,448**	2,221
	Repairs and maintenance:		
	- Buildings	**823**	805
	- Computer and network maintenance	**684**	665
	- Office maintenance	**1,530**	1,604
	- Others	**78**	97
	Rent	**240**	234
	Rates and taxes (net)	**45**	509
	Insurance	**59**	58
	Power and fuel	**584**	1,180
	Advertisement and sales promotion	**75**	82
	Communication	**828**	782
	Travelling and conveyance	**1,594**	8,226
	Legal and professional fees	**566**	728
	Bank charges	**32**	41
	Auditors' remuneration (refer note 42)	**31**	22
	Merger and reorganization expenses	**32**	14
	Expenditure towards corporate social responsibility initiatives (refer note 45)	**477**	352
	Software and hardware expenses	**2,103**	1,865
	Bad trade receivables written off	**319**	45
	Provision for doubtful trade receivables written (back) / off	**(242)**	75
	Group management fee	**983**	1,105
	Training and recruitment	**1,555**	2,172
	Directors' sitting fees	**1**	1
	Provision for doubtful security deposits	**60**	-
	Net loss on foreign currency transactions	**288**	39
	Miscellaneous expenses	**575**	441
		15,768	23,363
33	**Statement of other comprehensive income**		
	(i) Items that will not be reclassified subsequently to Statement of Profit and Loss		
	Remeasurements of post-employment benefit obligations (Net)	**3,447**	(4,450)
	Income tax relating to above item	**(862)**	1,035
	(ii) Items that will be reclassified subsequently to Statement of Profit and Loss		
	The effective portion of gain / (loss) on hedging instruments accounted for as cash flow hedges	**194**	(271)
	Income tax relating to above item	**(67)**	95
	Exchange differences on translation of foreign operations	**10**	225
		2,722	(3,366)

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

		31 March 2021	31 March 2020
34	**Tax expense**		
(a)	**Income tax expense recognised in Statement of Profit and Loss:**		
	1. Current income tax		
	Current tax on profits for the year	**6,221**	5,141
	Adjustments for current tax of prior periods	**(364)**	-
		5,857	5,141
	2. Deferred income tax		
	Deferred tax charge	**3,444**	2,311
	Adjustment of deferred tas for prior periods	**(847)**	-
	MAT Credit in respect of prior periods	**(194)**	-
		2,403	2,311
	Tax expense for the year	**8,260**	7,452

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

	31 March 2021			31 March 2020		
	Before tax	**Tax (expense) / benefit**	**Net of tax**	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified subsequently to Statement of Profit and Loss						
Remeasurement on post-employment benefit obligations	**3,447**	**(862)**	**2,585**	(4,450)	1,035	(3,415)
Items that will be reclassified subsequently to Statement of Profit and Loss						
Effective portion of gains / (loss) on hedging instruments accounted for as cash flow hedges	**194**	**(67)**	**127**	(271)	95	(176)
Exchange differences on translation of foreign operations	**10**	**-**	**10**	225	-	225
	3,651	**(929)**	**2,722**	(4,496)	1,130	(3,366)

(c) Reconciliation of effective tax rate

	31 March 2021	31 March 2020
Profit before tax	**23,049**	23,149
Tax using the Company's domestic tax rate (Current year and Previous Year 34.944%)	**8,054**	8,092
Tax effect of:		
Tax effect due to income tax holidays	**(2,247)**	(1,405)
Expenses not deductible for tax purposes	**130**	205
Effect of change in tax rates	**525**	526
Reversal of DTA on account of change in tax laws	**3,383**	-
Income taxes relating to prior years	**(1,405)**	-
Others	**(180)**	34
Total income tax expense	**8,260**	7,452
Effective Tax Rate (%)	**35.84**	32.19

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

The Company is eligible to claim income tax holiday on profits derived from the export of software services from divisions registered under Special Economic Zone ("SEZ") 2005 scheme and profits and gains derived from business of developing a Special Economic Zone u/s 80-IAB. Profits derived from the export of software services from the divisions registered under the SEZ scheme are eligible for a 100% tax holiday during the initial five consecutive assessment years, followed by 50% for further five years and 50% of such profits or gains for the balance period of five years subject to fulfilment of certain conditions from the date of commencement of operations by the respective SEZ units. In addition to this, the Company is also eligible to claim income tax holiday on profits and gains derived from business of developing a Special Economic Zone u/s 80-IAB. Profit derived from the business of developing a Special Economic Zone can be claimed as deduction equal to 100% of the profits and gains derived from such business for a period of ten consecutive assessment years. The Company is eligible to claim deductions with respect to the new workmen employed subject to the satisfaction of the conditions prescribed u/s 80JJAA of the Act. The total impact of tax holiday units, developer unit and claim of deduction u/s 80JJAA resulted in a tax benefit of Rs. 2,247 and Rs. 1,405 for current and previous year respectively. The tax holiday will begin to expire from FY 2023-24 through FY 2034-35.

The Special Economic Zone (SEZ) Re-investment Reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Section 10AA(1)(ii) of the Income-tax Act, 1961 (the Act). The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in the terms of Section 10AA(2) of the Income-tax Act, 1961. During the year, a net amount of Rs. 367 was transferred to SEZ Re-investment Reserve net of utilization.

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

The Company has made an assessment of the impact of the Ordinance and decided to continue with the existing tax regime till the Company has utilised its accumulated Minimum Alternate Tax (MAT) Credit. However, in accordance with the accounting standards, the Company has evaluated the deferred tax asset balance as on 31 March 2021 and has reversed an amount of Rs. 525 (31 March 2020 Rs 526) through the Statement of Profit and Loss and Rs. (481) (31 March 2020 - Rs 481) through other comprehensive income, which pertains to the re-measurement of deferred tax asset that is expected to reverse in the period subsequent to Company migrating to the new tax regime..

The Company has recognized deferred tax asset on goodwill during the FY 2016-17. Such deferred tax asset on Goodwill is being amortized in the books in the proportion of the tax depreciation availed on the goodwill in the tax returns.

There were amendments brought into the Act, through the Finance Bill 2021, wherein the definition of "block of asset" as per section 2(11) of the Act is amended to exclude "goodwill of a business or profession" from the category of intangible assets. Accordingly, goodwill of a business or profession is not eligible for tax depreciation under section 32 of the Act. These amendments are effective retrospectively from 1 April 2020 onwards.

In view of this amendment, the Company is no longer eligible for tax depreciation on goodwill and accordingly has reversed during the current year, the deferred tax asset on goodwill amounting to Rs. 3,383 (net of rate change impact) lying in its books of account as of the year ended 31 March 2020

(d) Income tax assets and liabilities

	31 March 2021	31 March 2020
Income tax assets (net)*	**8,304**	8,017
Income tax liabilities (net)	**1,727**	1,358

* Includes deposits paid under dispute of Rs. 6,818 (31 March 2020: Rs. 5,090)

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

(e) Movement in deferred tax balances

	Net balance 1 April 2020	Recognised in Statement of Profit and Loss	Acquired in business combinations	Recognised in OCI	MAT Utilisation	Net balance 31 March 2021
Deferred tax asset						
Cash flow hedges	67	-	-	(67)	-	-
Property, plant and equipment and intangible assets	3,708	(3,489)	19	-	-	238
Provisions - employee benefits	3,154	512	35	(862)	-	2,839
Provision for doubtful trade receivables	254	(85)	3	-	-	172
Merger expenses	43	(1)	-	-	-	42
MAT Credit carried forward	5,070	194	94	-	(549)	4,809
Others	(215)	466	9	-	-	260
Deferred tax asset (net)	**12,081**	**(2,403)**	**160**	**(929)**	**(549)**	**8,360**

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

Effective 1 April 2019 the Company started utilising accumulated MAT credit and during the year the Company has utilized a MAT credit of Rs. 549 (net) (31 March 2020: Rs. 1,516)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. The company has no tax losses which arose in India as of 31 March 2021 (31 March 2020: Rs. NIL) that are available for offsetting in the future years against future taxable profits.

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

35 Amalgamation of wholly owned subsidiaries

(a) TCube Software Solutions Private Limited

On 1 November 2017, the Company acquired 100 percent of the equity shares of TCube Software Solutions Private Limited (TCube), a company engaged in providing software services and solutions for systems implementation, configuration, and maintenance and implementation services for a total consideration of Rs.519.

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

Subsequently, the Board of Directors, at their meeting held on 23 February 2018, approved the Scheme of Amalgamation ('the Scheme') of TCube with the Company. The Company filed an application with the National Company Law Tribunal, Mumbai (NCLT) to merge TCube with the Company. NCLT approved the Scheme of Amalgamation on 22 October 2019 effective 1 April 2018 (appointed date). Consequently, the assets, liabilities and reserves of TCube were merged with the Company at their carrying values as on 1 April 2018.

(b) IGATE Infrastructure Management Services Limited (IIMSL)

The Board of Directors, at their meeting held on 18 July 2016, approved the Scheme of Amalgamation ('the Scheme') of IGATE Infrastructure Management Services Limited (IIMSL) ('transferor company'), wholly owned subsidiary of the Company, with the Company. The Company filed an application with the National Company Law Tribunal, Mumbai (NCLT) to merge IIMSL with the Company. NCLT approved the Scheme of Amalgamation on 8 June 2021 effective 1 April 2017 (appointed date).

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

IIMSL was engaged in providing comprehensive range of IT support services including system integration, system maintenance and support services which are broadly categorized into Facility Management Services and Maintenance Services

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

Under 'Pooling of Interest' method, the assets and liabilities of the combining entities are reflected at their carrying amount. No adjustments are made to reflect fair values or recognise any new assets or liabilities. Further the financial information in the financial statements of the Company in respect of prior period should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements of the Company, irrespective of the actual date of combination. However, if business combination had occurred after that date, the prior period information should be restated only from that date.

- the entire business and undertaking of IIMSL including all the assets, liabilities and reserves as a going concern were transferred to and vested in the Company pursuant to the Scheme at their respective book values under the respective accounting heads of the Company from the beginning of the preceding period i.e. 1 April 2019.
- IIMSL was a wholly owned subsidiary of the Company and accordingly, no consideration was payable pursuant to the scheme of amalgamation. The equity shares held by the Company in the wholly owned subsidiary were cancelled and no shares were issued to effect the amalgamation.
- all inter-company balances and transactions were eliminated.

The amalgamation resulted in transfer of assets, liabilities and changes in reserves in accordance with the terms of the scheme at the values given below as at 1 April 2019-

Particulars	1 April 2019	31 March 2020	31 March 2021
Assets			
Non-current assets			
Financial assets			
- Others	1	1	1
Income tax assets (net)	106	106	104
Current assets			
Financial assets			
- Investments	6	3	3
- Cash and cash equivalents	1	2	2
Other current assets	2	3	-
Total assets acquired on amalgamation (A)	**116**	**115**	**110**

Notes to the financial statements as at 31 March 2021 *(Contd.)* *(Currency : INR in million)*

Particulars	1 April 2019	31 March 2020	31 March 2021
Liabilities			
Current liability			
Financial liability			
- Trade and other payables	8	7	7
- Other	104	113	121
Other current liability	-*	-	-
Income tax liability	**28**	**28**	**28**
Total liabilities acquired on amalgamation (B)	**140**	**148**	**156**
Net liabilities assumed on amalgamation (C) = (A-B)	(24)	(33)	(46)
Reserves taken over under Pooling of interest method under Ind AS 103			
Debit balance in retained earnings	53	53	62
Total reserves on amalgamation (C)	**53**	**53**	**62**
Investment in shares of transferor company	24		
Cancellation of Share capital of transferor company	(29)		
Capital reserve accounted under pooling of interest method	**(5)**		

*amount below rounding off norm

Particulars	31 March 2020	31 March 2021
Revenue		
Other Income*	-	-
Expenses		
Finance cost	8	8
Other expenses	1	3
Profit before tax	**(9)**	(11)
Income tax expense	-	2
Profit after rax	**(9)**	(13)

(c) Liquidhub Analytics Private Limited (LHA)

The Board of Directors, at their meeting held on 23 June 2020, approved the Scheme of Amalgamation ('the Scheme') of Liquidhub Analytics Private Limited (LHA) ('transferor company'), wholly owned subsidiary of the Company, with the Company. The Company filed an application with the National Company Law Tribunal, Mumbai (NCLT) to merge LHA with the Company. NCLT approved the Scheme of Amalgamation on 24 June 2021 effective 1 April 2020 (appointed date).

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

LHA was primarily engaged in providing Information Technology ("IT") and IT- enabled operations offshore outsourcing solutions and BPO (Business Process Outsourcing) Service to large and medium-sized organizations using an offshore/onsite model.

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

Under 'Pooling of Interest' method, the assets and liabilities of the combining entities are reflected at their carrying amount. No adjustments are made to reflect fair values or recognise any new assets or liabilities. Further the financial information in the financial statements of the Company in respect of prior period should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements of the Company, irrespective of the actual date of combination. Further, if business combination had occurred after that date, the prior period information should be restated only from that date. However, since the appointed date of merger as per order is 1 April 2020, the Company has amalgamated LHA w.e.f 1 April 2020

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

- the entire business and undertaking of LHA including all the assets, liabilities and reserves as a going concern were transferred to and vested in the Company pursuant to the Scheme at their respective book values under the respective accounting heads of the Company from the appointed date i.e. 1 April 2020.
- LHA was a wholly owned subsidiary of the Company and accordingly, no consideration was payable pursuant to the scheme of amalgamation. The equity shares held by the Company in the wholly owned subsidiary were cancelled and no shares were issued to effect the amalgamation.
- all inter-company balances and transactions were eliminated.

The amalgamation resulted in transfer of assets, liabilities and changes in reserves in accordance with the terms of the scheme at the values given below as at 1 April 2020-

Particulars	1 April 2020	31 March 2021
Assets		
Non-current assets		
Property, plant and equipment	46	34
Right-of-use assets	150	119
Intangible assets	1	1
Financial assets		
- Investments	7	4
- Others	19	19
Deferred tax assets	50	56
Income tax assets (net)	43	71
Other non-current assets	43	40
Current assets		
Financial assets		
- Trade receivables	265	108
- Cash and cash equivalents	562	892
- Bank balances other than cash and cash equivalents*	-	-
- Others	165	1
Other current assets	97	37
Total assets acquired on amalgamation (A)	**1,448**	**1,382**
Liabilities		
Non-current liability		
Financial liability		
- Lease liabilities	157	124
- Others	3	-
Provisions	63	50
Current liability		
Financial liability		
- Trade and other payables	170	33
- Lease liabilities	27	33
- Other	75	48
Provisions	16	49

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

Particulars	**1 April 2020**	31 March 2021
Other current liabilities	53	58
Income tax liabilities	5	-
Total liabilities acquired on amalgamation (B)	**569**	**395**
Net assets assumed on amalgamation (C) = (A-B)	**879**	**987**
Reserves taken over under Pooling of interest method under Ind AS 103		
Securities premium	41	41
General reserve	15	15
Share based payment reserves	-*	11
Retained earnings	786	876
Other comprehensive income	-*	7
Total reserves on amalgamation (C)	**842**	950
Investment in shares of transferor company	2,299	
Cancellation of Share capital of transferor company	(37)	
Capital reserve accounted under pooling of interest method	**2,262**	
*amount below rounding off norm		

The following is the effect taken in Statement of Profit and Loss on amalgamation of LHA with the Company.

Particulars	**31 March 2021**
Revenue	
Revenue from operations	1,182
Other Income	15
Total income	**1,197**
Expenses	
Employee benefit expense	725
Finance cost	15
Depreciation and amortisation	61
Other expenses	283
Total expense	**1,084**
Profit before tax	**113**
Income tax expense	23
Profit for the year	**90**
Other comprehensive income (net of tax)	7
Total comprehensive income	**97**

(d) Liquidhub India Private Limited (LHI)

The Board of Directors, at their meeting held on 23 June 2020, approved the Scheme of Amalgamation ('the Scheme') of Liquidhub India Private Limited (LHI) ('transferor company'), wholly owned subsidiary of the Company, with the Company. The Company filed an application with the National Company Law Tribunal, Mumbai (NCLT) to merge LHI with the Company. NCLT approved the Scheme of Amalgamation on 24 June 2021 effective 1 April 2020 (appointed date).

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

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

LHI was primarily engaged in providing Information Technology ("IT") and IT- enabled operations offshore outsourcing solutions and BPO (Business Process Outsourcing) Service to large and medium-sized organizations using an offshore/onsite model.

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

Under 'Pooling of Interest' method, the assets and liabilities of the combining entities are reflected at their carrying amount. No adjustments are made to reflect fair values or recognise any new assets or liabilities. Further the financial information in the financial statements of the Company in respect of prior period should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements of the Company, irrespective of the actual date of combination. Further, if business combination had occurred after that date, the prior period information should be restated only from that date. However, since the appointed date of merger as per order is 1 April 2020, the Company has amalgamated LHI w.e.f 1 April 2020

- the entire business and undertaking of LHI including all the assets, liabilities and reserves as a going concern were transferred to and vested in the Company pursuant to the Scheme at their respective book values under the respective accounting heads of the Company from the appointed date i.e. 1 April 2020.
- LHI was a wholly owned subsidiary of the Company and accordingly, no consideration was payable pursuant to the scheme of amalgamation. The equity shares held by the Company in the wholly owned subsidiary were cancelled and no shares were issued to effect the amalgamation.
- all inter-company balances and transactions were eliminated.

The amalgamation resulted in transfer of assets, liabilities and changes in reserves in accordance with the terms of the scheme at the values given below as at 1 April 2020-

Particulars	1 April 2020	31 March 2021
Assets		
Non-current assets		
Property, plant and equipment	149	99
Right-of-use assets	112	75
Intangible assets	2	1
Financial assets		
- Loans	155	-
- Others*	-	-
Deferred tax assets	111	111
Income tax assets (net)	4	8
Other non-current assets	13	14
Current assets		
Financial assets		
- Loans	4	-
- Trade receivables	104	108
- Cash and cash equivalents	821	1,203
- Bank balances other than cash and cash equivalents	2	-*
- Others	111	109
Other current assets	6	14
Total assets acquired on amalgamation (A)	**1,594**	**1,742**
* amount below rounding off norm		
Liabilities		
Non-current liability		
Financial liability		

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

Particulars	1 April 2020	31 March 2021
- Lease liabilities	89	54
- Others	4	4
Provisions	26	43
Current liability		
Financial liability		
- Trade and other payables	25	11
- Lease liabilities	34	35
- Other	38	62
Provisions	25	28
Income tax liabilities*	-	-
Other current liabilities	25	31
Total liabilities acquired on amalgamation (B)	**266**	**268**
Net assets assumed on amalgamation (C) = (A-B)	**1,328**	**1,474**
Reserves taken over under Pooling of interest method under Ind AS 103		
Share based payment reserves	-*	1
Retained earnings	1,328	1,473
Total reserves on amalgamation (C)	**1,328**	**1,474**
Investment in shares of transferor company	1,815	
Cancellation of Share capital of transferor company*	-	
Capital reserve accounted under pooling of interest method	**1,815**	

*amount below rounding off norm

The following is the effect taken in Statement of Profit and Loss on amalgamation of LHI with the Company

Particulars	31 March 2021
Revenue	
Revenue from operations	1,156
Other Income	42
Total income	**1,198**
Expenses	
Employee benefit expense	865
Finance cost	9
Depreciation and amortisation	88
Other expenses	52
Total expense	**1,014**
Profit before tax	**184**
Income tax expense	32
Profit for the year	**152**
Other comprehensive income (net of tax)	(7)
Total comprehensive income	**145**

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

36 Employee benefit plans

(a) Gratuity benefits

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

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

		31 March 2021	31 March 2020
Present Value of defined benefit obligation			
Projected benefit obligation at the beginning of the year		**6,943**	5,891
Projected benefit obligation assumed on amalgamation		**111**	-
Current service cost		**1,333**	1,155
Past service cost		**(4)**	-
Interest cost		**420**	389
Benefits paid		**(623)**	(627)
Actuarial (gain) / losses		**(49)**	135
Projected benefit obligation at the end of the year	**(A)**	**8,131**	6,943
Fair Value of plan asset			
Fair Value of plan assets at the beginning of the year		**3,818**	3,729
Fair value of plan assets assumed on amalgamation		**21**	-
Contributions by employer		**2,156**	450
Expected return		**241**	263
Actuarial gains		**37**	3
Benefits paid		**(619)**	(627)
Fair Value of plan assets at the end of the year	**(B)**	**5,654**	3,818
	(A-B)	**2,477**	3,125
Amounts in the Balance Sheet			
Liabilities			
Current		**9**	-
Non-current		**2,468**	3,125
Included in OCI			
Opening amount recognised in OCI outside the Statement of Profit and Loss		**(466)**	(599)
Actuarial loss / (gain) arising from:			
Demographic assumptions		**80**	(28)
Financial assumptions		**(29)**	334
Experience adjustment		**(99)**	(170)
Return on plan assets excluding interest income		**(37)**	(3)
		(551)	(466)

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

	31 March 2021	31 March 2020
Expense recognised in the Statement of Profit and Loss		
Current service cost	**1,333**	1,155
Past service cost	**(4)**	-
Interest cost	**419**	389
Expected return on plan assets	**(240)**	(263)
Total included in "Employee benefit expense" (Refer Note 29)	**1,508**	1,281

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

Category of Assets	**%**	%
Government debt instruments	**-**	3%
Insurer managed funds	**97%**	95%
Others	**3%**	2%
The principal assumptions used in determining the gratuity benefit are shown below:		
Salary escalation rate	**6.65% to 7%**	7%
Discount rate	**6.40%**	6.35%

The average duration of remaining service of employees in the Company as on 31 March 2021 is 6.62 years.

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

Sensitivity analysis

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

(i) As of 31 March 2021, every 0.5 percentage point increase / (decrease) in discount rate will result in (decrease) / increase of gratuity benefit obligation by approximately Rs. (388) and Rs. 409 respectively.

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

(ii) As of 31 March 2021, every 0.5 percentage point increase/ (decrease) in expected rate of salary will result in increase / (decrease) of gratuity benefit obligation by approximately Rs. 409 and Rs. (384) respectively.

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

	31 March 2021
Expected benefit payments are as follows:	
Year ending 31 March	
2022	**917**
2023-2026	**3,410**
thereafter	**10,368**

(b) Pension benefits

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

Notes to the financial statements as at 31 March 2021 *(Contd.)* *(Currency : INR in million)*

		31 March 2021	31 March 2020
Present Value of defined benefit obligation			
Projected benefit obligation at the beginning of the year		**23**	19
Current service cost		**1**	1
Interest cost		**1**	1
Actuarial Losses / (Gain)		**(1)**	2
Projected benefit obligation at the end of the year	**(A)**	**24**	23
Fair Value of plan asset			
Fair Value of plan assets at the beginning of the year		**54**	51
Expected return		**4**	3
Contributions by the Company		**1**	-
Fair Value of plan assets at the end of the year	**(B)**	**59**	54
Amount not recognised as an asset (limit in para 64b)	**(C)**	**12**	10
	(A-B+C)	**(23)**	(21)
Amounts recognised in the Balance Sheet:			
Assets			
Current		**-**	-
Non-current		**23**	21
Opening value of asset ceiling		**10**	11
Interest on opening balance of asset ceiling		**1**	-
Remeasurements due to:			
Change in surplus/ deficit		**1**	(1)
Closing value of asset ceiling		**12**	10
Included in OCI			
Opening amount recognised in OCI outside the Statement of Profit and Loss		**(8)**	(9)
Remeasurement loss / (gain):			
Adjustments to recognise the effect of asset ceiling		**-**	(1)
Financial assumptions		**-**	1
Experience adjustment		**(1)**	1
		(9)	(8)
Expense recognised in the Statement of Profit and Loss			
Current service cost		**1**	1
Interest cost		**1**	1
Expected return on plan assets		**-**	(3)
Total included in "Employee benefit expense" (refer note 29)		**2**	(1)
Category of Assets		**%**	%
Insurer Managed Funds		**100%**	100%

The Company provides the pension benefit through contributions to a fund managed by a trust.

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

	31 March 2021	31 March 2020
Discount rate (p.a.)	**6.40%**	6.35%
Salary escalation rate	**7%**	7%

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

(i) Discount Rate:

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

(ii) Salary Escalation Rate:

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

(iii) Expected contributions to the fund post 31 March 2021 is Rs. 0.7

	31 March 2021
Expected benefit payments are as follows:	
Year ending 31 March	
2022*	**-**
2023	**3**
2024*	**-**
2025*	**-**
2026*	**-**
thereafter	**31**

* amount below rounding off norm

(c) Provident fund

(i) Defined Contribution Plan

In respect of the defined contribution plan as explained in accounting policy 2.15 (ii)(b), the Company has contributed Rs. 934 for the year (31 March 2020: Rs. 350). These contributions are charged to the Statement of Profit and Loss as they accrue.

(ii) Defined Benefit Plan

In respect of the defined benefit plan as explained in accounting policy 2.15 (ii)(a), the following tables set forth the movement in plan.

		31 March 2021	31 March 2020
Present Value of defined benefit obligation			
Projected benefit obligation at the beginning of the year		**40,225**	32,101
Current service cost		**2,049**	2,316
Interest cost		**2,555**	2,364
Actuarial (Gain) / Losses		**(342)**	2,126
Employees contribution		**3,302**	3,497
Liabilities transferred in / (out)		**1,060**	(429)
Benefits paid		**(6,198)**	(1,750)
Projected benefit obligation at the end of the year	**(A)**	**42,651**	40,225
Fair Value of plan asset			
Fair Value of plan assets at the beginning of the year		**35,264**	31,498
Expected return		**2,240**	2,323
Remeasurements due to:			
Actual return on plan assets less interest on plan assets		**438**	1,442
Movement on account of asset diminution		**2,587**	(3,633)
Employer contribution during the year		**2,553**	2,316
Employee contribution during the year		**3,302**	3,497
Assets transferred in / (out)		**1,060**	(429)
Benefits paid		**(6,198)**	(1,750)
Fair Value of plan assets at the end of the year	**(B)**	**41,246**	35,264
Amount recognised in Balance Sheet	**(A-B)**	**1,405**	4,961

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

	31 March 2021	31 March 2020
Amounts in the balance sheet:		
Liabilities		
Current	**914**	486
Non-current	**491**	4,475
Expense recognised in the Statement of Profit and Loss		
Current service cost	**2,049**	2,316
Interest cost	**2,555**	2,364
Expected return on plan assets	**(2,240)**	(2,323)
Total	**2,364**	2,357
Amounts included in OCI		
Opening amount recognised in OCI outside the Statement of Profit and Loss	**4,920**	603
Actuarial loss /(gain) arising from:		
Financial assumptions	**(969)**	769
Experience adjustment	**626**	1,357
Actual return on plan assets less interest on plan assets plus shortfall on asset diminution	**(3,026)**	2,191
Closing amount recognised in OCI outside Statement of Profit and Loss	**1,551**	4,920
Plan Asset Category		
Government securities	**61%**	59%
Corporate Bonds	**31%**	31%
Equity linked mutual funds	**2%**	6%
Bank balance	**4%**	1%
Others	**2%**	3%
	100%	100%

The Company provides the provident fund benefit through monthly employer and employee contributions to a fund managed by a trust.

The principal assumptions used in determining the defined benefit obligation are as follows:

Discount rate	**6.40%**	6.35%
Expected rate of return on plan assets	**9.01% - 9.10%**	7.90% - 7.94%
Discount rate for the remaining term to maturity of investment	**6.55%**	6.55% - 6.65%
Average historic yield on the investment	**9.16% - 9.25%**	8.14% - 8.20%
Guaranteed rate of return	**8.50%**	8.50%

The average duration of remaining service of employees in the Company as on 31 March 2021 is 6.62 years.

Sensitivity analysis

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

As of 31 March 2021, every 1 percentage point of an increase / (decrease) in the difference between the rate earned and the RPFC guaranteed rate will result in increase / (decrease) of provident fund defined benefit obligation by approximately Rs. 1,101 and Rs. (359) respectively.

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

(iii) The Company contributed Rs. 1,297 (31 March 2020 Rs. 1,364) to the Central Government towards pension, as required by the PF Rules.

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

Surrender of Employee Provident Fund trust

The Company filed an application post 31 March 2021 for surrender of exemption granted from the EPF Scheme, 1952 w.e.f. 1 July 2021 for both its EPF trust i.e., Capgemini India Pvt. Ltd. Employees' Provident Fund and Capgemini Business Services (I) Ltd EPF Trust. The surrender application was filed with Regional Provident Fund Commissioner (RPFC) Pune and Bengaluru respectively.

RPFC Pune and RPFC Bengaluru vide letter dated 21 June 2021 and 29 June 2021 respectively have granted permission to both the trust to comply as an un-exempted trust from 1 July 2021 subject to compliance with procedural requirements stated therein.

These trusts are in the process of surrendering the exemption to the RPFC. The surrender will be accounted as a plan settlement on 1 July 2021 in accordance with INDAS 19. Thereafter, the PF plan will be accounted as Defined contribution plan.

(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 2021	31 March 2020
Current provisions (refer note 27)	**5,899**	5,188
	5,899	5,188
Actuarial assumptions		
Discount rate	**6.40%**	6.35%
Salary escalation rate	**6.65% to 7.00%**	7.00%

37 Segment reporting

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

38 Related party disclosures

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

Names of related parties and related party relationship

Related parties where control exists

Parent companies
Capgemini SE, the Ultimate Parent Company
Pan-Asia Solutions, Mauritius, subsidiary of Capgemini America, Inc. (till 4 April 2019)
Capgemini North America, Inc., a subsidiary of the ultimate parent company

Entity having significant influence over the Company
Capgemini America, Inc., subsidiary of Capgemini North America, Inc.
Subsidiary Companies
Liquidhub Analytics Private Limited (w.e.f. 25 November 2019, merged into the Company effective 1 April 2020)
Liquidhub India Private Limited (w.e.f. 28 November 2019, merged into the Company effective 1 April 2020)
Annik Inc., a subsidiary of Liquidhub Analytics Private Limited (w.e.f. 25 November 2019)
Liquidhub Sp z o o a subsidiary of Liquidhub Analytics Private Limited (till 19th Jul 2019)
Dalian Liquidhub Consulting Services Ltd Co. (w.e.f. 25 November 2019, liquidated w.e.f. 15 October 2020)
Liquidhub PTE Ltd, a subsidiary of Liquidhub Analytics Private Limited (w.e.f. 25 November 2019)
Annik UK Ltd, a subsidiary of Liquidhub Analytics Private Limited (w.e.f. 25 November 2019)
Solcen Technologies Pvt Ltd (w.e.f 23 October 2020)
Aricent Technologies (Holdings) Ltd (w.e.f. 23 November 2020)
Aricent Technologies Pvt Ltd (Merged into Aricent Technologies (Holdings) Ltd effective 8 January 2021)

Other related parties

Key Management Personnel
Srinivasa Rao Kandula - Wholetime director and Chairman
Ashwin Yardi - Wholetime director and Chief Executive Officer
Sujit Sircar - Chief Financial Officer

Notes to the financial statements as at 31 March 2021 *(Contd.)* *(Currency : INR in million)*

Aruna Jayanthi - Wholetime director
Ritesh Talapatra - Executive director (till 4 February 2020)
Karine Marchat - Director (till 4 February 2020)
Paul Hermelin - Non- executive director
Hubert Paul Henri Giraud - Non- executive director
Thierry Delaporte - Non- executive director (till 5 May 2020)
Armin Billimoria - Company Secretary
Arul Kumaran Paramanandam - Chief Operating Officer
Antoine Imbert - Chief Operating Officer
Aiman Ezzat - Non-executive director (w.e.f. 19 January 2021)
Kalpana Rao - Independent director
Ramaswamy Rajaraman - Independent director

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

Fellow subsidiaries
Capgemini (China) Co. Ltd.
Capgemini (Hangzhou) Co Ltd
Capgemini Argentina, S.A.
Capgemini Australia PTY Limited
Capgemini Belgium NV/S.A.
Capgemini Business Services (China) Limited
Capgemini Business Services Brasil - Assessoria Empresarial Ltda
Capgemini Business Services B.V.
Capgemini Brasil S.A. (formerly CPM Braxis S.A.)
Capgemini Canada Inc.
Capgemini Consulting Österreich AG
Capgemini Consulting S.A.S.
Capgemini Czech Republic s.r.o
Capgemini Deutschland GmbH
Capgemini Deutschland Holding GmbH
Capgemini Educational Services B.V.
Capgemini España S.L.
Capgemini Finland Oy
Capgemini France S.A.S.
Capgemini Government Solutions LLC
Capgemini Hong Kong Limited
Capgemini Italia spA
Capgemini Ireland Limited
Capgemini Japan K.K.
Capgemini Magyarorszag Kft.
Capgemini Mexico S. de R.L de C.V.
Capgemini Nederland B.V.
Capgemini Norge A/S
Capgemini Outsourcing Services GmbH
Capgemini Polska Sp. z.o.o
Capgemini Portugal, Serviços de Consultoria e Informatica, S.A.
Capgemini Saudi Limited
Capgemini Service Romania s.r.l.

Notes to the financial statements as at 31 March 2021 *(Contd.)* *(Currency : INR in million)*

Capgemini Service S.A.S.
Capgemini Services Malaysia Sdn Bhd
Capgemini Singapore Pte. Ltd.
Capgemini Singapore Pte. Ltd. - Abu Dhabi Branch
Capgemini Singapore Pte. Ltd. - Dubai Branch
Capgemini Slovensko s.r.o.
Capgemini Danmark A/S
Capgemini Solutions Canada Inc.
Capgemini Suisse S.A.
Capgemini Sverige AB
Capgemini Technologies LLC
Capgemini Technology Services S.A.S.
Capgemini UK plc
Capgemini Vietnam Co. Ltd
CHCS Services Inc.
Capgemini Philippines Corp.
Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited)
Capgemini DEMS France SAS (formerly known as Sogeti High Tech S.A.S.)
Capgemini UK Plc - South Africa Branch -262
Capgemini Asia Pacific Pte Ltd. - Taiwan Branch
CHCS Services Inc - India Branch
Idean Enterprises Inc. (merged with Capgemini America Inc w.e.f. 3 January 2020)
Idean Enterprise Oy (merged with CG Finland OY as on 01 July 2020)
Inergi LP
Inergi Inc.
Interactive Thinking S.R.L.
New Horizons Systems Solutions Inc
ODIGO SAS
Prosodie S.A.S.
Societe en Commandite Capgemini Quebec Limited Partnership
Sogeti Deutschland GmbH
Sogeti Luxembourg S.A.
Sogeti Nederland B.V.
Sogeti Sverige AB
Sogeti UK Limited
Altran Technologies India Pvt. Ltd. (w.e.f. 1 April 2020)
Altran Technologies S.A.S. (w.e.f. 1 April 2020)
Aricent Holdings Mauritius India Limited (w.e.f. 1 April 2020)
Aricent Holdings Mauritius Limited (w.e.f. 1 April 2020)
Capgemini Australia (New Zealand Branch)
RADI Software Do Brasil Ltda.

Related party transactions

		31 March 2021	31 March 2020
a)	**Revenues from operations**		
	Capgemini America, Inc.	**59,196**	56,482
	Capgemini UK Plc	**14,378**	**14,311**
	Others	**54,653**	57,290
b)	**Expense incurred by the Company on behalf of ***		
	Capgemini Ireland Limited	**78**	58
	Liquidhub India Private Limited	**-**	17
	Capgemini Australia PTY Limited	**1**	34
	Others	**53**	20

* includes expense in the nature of sub-contracting expenses, travelling and conveyance and others

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

		31 March 2021	31 March 2020
c)	**Expenses cross charged ***		
	Capgemini Service S.A.S.	**2,490**	2,284
	Capgemini SE	**1,459**	890
	Capgemini Technology Services S.A.S.	**445**	536
	Capgemini Singapore Pte. Ltd.	**106**	333
	Others	**600**	388
	* includes expense in the nature of software and hardware expenses, training and recruitment, sub-contracting expenses, group management fee and others		
d)	**Sale of contracts/ business**		
	Capgemini IT Solutions India Pvt. Ltd.	**-**	117
e)	**Profit on liquidation of subsidiary**		
	Dalian Liquidhub Consulting Services Ltd Co. (w.e.f. 25 November 2019, liquidated w.e.f. 15 October 2020)	**4**	-
f)	**Interest on loan given**		
	Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited)	**10**	-
g)	**Purchase of investments**		
	Aricent Holdings Mauritius Limited	**35,183**	-
	Aricent Holdings Mauritius India Limited	**7,835**	-
	Capgemini America Inc.	**-**	4,114
h)	**Repayment of loan**		
	Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited)	**155***	-
	*Loan has been repaid to LHI which was merged into the Company w.e.f 1 April 2020		
i)	**Company's contribution to employee benefit funds**		
	Capgemini India Pvt. Ltd. Employees' Provident Fund	**2,341**	2,145
	Capgemini India Employees Gratuity Fund Trust	**1,326**	420
	Capgemini India Employees Gratuity Fund (formerly IGATE Computer Systems Limited Employees' Gratuity Fund)	**696**	-
	Capgemini Business Services (I) Ltd EPF Trust	**212**	171
	Capgemini Business Services (India) Limited Employees Group Gratuity Assurance Scheme	**131**	30
j)	**Key management personnel compensation**		
	Short-term employee benefits	**155**	156
	Post-employment benefits	**5**	7
	Employee share-based payment	**172**	98
	Director sitting fees	**1**	1

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

		31 March 2021	31 March 2020
Balances outstanding			
a)	**Trade receivables**		
	Capgemini America, Inc.	**10,798**	7,928
	Others	**11,293**	11,765
b)	**Unbilled revenue**		
	Capgemini America, Inc.	**1,134**	1,550
	Capgemini Ireland Limited	**134**	39
	Others	**84**	2,181
c)	**Unearned revenue**		
	Capgemini Technology Services S.A.S.	**38**	66
	Capgemini America, Inc.	**26**	25
	Capgemini Service S.A.S.	**22**	-
	Capgemini UK plc	**15**	-
	Others	**36**	7
d)	**Other current assets**		
	Capgemini India Employees Gratuity Fund Trust	**8**	1
e)	**Trade and other payables**		
	Capgemini Service S.A.S.	**1,479**	517
	Capgemini SE	**117**	103
	Capgemini Technology Services S.A.S.	**112**	133
	Capgemini America, Inc.	**25**	133
	Others	**227**	89
f)	**Amounts payable under share-based payment plan**		
	Capgemini SE	**-**	1,278
g)	**Other current assets - prepaid expenses**		
	Capgemini Service S.A.S.	**1,016**	191
h)	**Other financial liabilities**		
	Capgemini UK plc	**-**	191
	Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited)	**2**	-
	Others	**-**	21
i)	**Non-current provisions - other defined benefit obligation**		
	Capgemini India Pvt. Ltd. Employees' Provident Fund	**467**	4,153
	Capgemini Business Services (I) Ltd EPF Trust	**24**	322

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

		31 March 2021	31 March 2020
j)	**Current provisions - other defined benefit obligation**		
	Capgemini India Pvt. Ltd. Employees' Provident Fund	**796**	429
	Capgemini Business Services (I) Ltd EPF Trust	**118**	57

The Company has the following related party transactions and balances outstanding for the year ended 31 March 2021 and 31 March 2020

Transactions	Parent companies		Entity having significant influence over the Company		Subsidiary companies		Fellow subsidiaries		Key Management Personnel		Employee benefit trusts of the Company or of entity related to the Company	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020
Revenues from operations	**78**	84	**59,196**	56,482	**326**	4	**68,627**	71,513	**-**	-	**-**	-
Expense incurred by the Company on behalf of	**-**	-	**4**	1	**-**	22	**128**	106	**-**	-	**-**	-
Expenses cross charged	**1,459**	890	**160**	188	**15**	13	**3,466**	3,340				
Sale of contract/ business	**-**	-	**-**	-	**-**	-	**-**	117	**-**	-	**-**	-
Profit on liquidation of subsidiary	**-**	-	**-**	-	**4**	-	**-**	-	**-**	-	**-**	-
Interest on loan given	**-**	-	**-**	-	**-**	-	**10**	-	**-**	-	**-**	-
Purchase of investments	**-**	-	**-**	4,114	**-**	-	**43,018**	-	**-**	-	**-**	-
Repayment of loan	**-**	-	**-**	-	**-**	-	**155**	-	**-**	-	**-**	-
Company's contribution to employee benefit funds	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**4,706**	2,766
Key managerial personnel												
- Remuneration	**-**	-	**-**	-	**-**	-	**-**	-	**160**	163	**-**	-
- Employee stock compensation expense	**-**	-	**-**	-	**-**	-	**-**	-	**172**	98	**-**	-
- Director sitting fees	**-**	-	**-**	-	**-**	-	**-**	-	**1**	1	**-**	-

Balances outstanding	Parent companies		Entity having significant influence over the Company		Subsidiary companies		Fellow subsidiaries		Key Management Personnel		Employee benefit trusts of the Company or of entity related to the Company	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020
Trade receivables	**13**	7	**10,798**	7,928	**5**	28	**11,275**	11,730	**-**	-	**-**	-
Unbilled revenue	**-**	2	**1,134**	1,550	**18**	-	**200**	2,218	**-**	-	**-**	-
Unearned revenue	**-**	-	**26**	25	**-**	-	**111**	73				
Other current assets	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**8**	1
Trade and other payables	**117**	103	**25**	133	**1**	3	**1,817**	736	**-**	-	**-**	-
Amounts payable under share-based payment plan	**-**	1,278	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Other current assets - prepaid expenses	**-**	-	**-**	-	**-**	-	**1,016**	191	**-**	-	**-**	-
Other financial liabilities	**-**	-	**-**	-	**-**	-	**2**	212	**-**	-	**-**	-
Non-current provisions - other defined benefit obligation	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**491**	4,475
Current provisions - other defined benefit obligation	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**914**	486

All outstanding balances are unsecured and will be settled in cash. 'Provisions - other defined benefit obligation' is provided based on actuarial valuation.

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

			31 March 2021	31 March 2020
39	**Earnings per share (EPS)**			
	The following table reflects the profit and share data used to compute basic and diluted EPS:			
	(A)	Profit attributable to equity shareholders	**14,789**	15,697
	(B)	Weighted average number of equity shares in calculating basic EPS (nos.)	**59,139,500**	59,139,500
	(C)	Weighted average number of equity shares in calculating diluted EPS (nos.)	**59,139,500**	59,139,500
	(A/B)	Basic earnings per share of face value of Rs.10/- each	**250.07**	265.42
	(A/C)	Diluted earnings per share of face value of Rs.10/- each	**250.07**	265.42

40 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

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

Level 1: Unadjusted quoted prices in active market for identical assets or liabilities. The mutual funds are valued using the closing NAV

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

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

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

	Carrying amount				**Fair value**			
31 March 2021	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Cash and cash equivalents	-	-	7,608	7,608	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	1	1	-	-	-	-
Current investments	37,746	-	-	37,746	37,746	-	-	37,746
Trade receivables	-	-	25,028	25,028	-	-	-	-
Other non-current financial asset	-	-	1,472	1,472	-	-	-	-
Other current financial asset	3	-	1,727	1,730	-	3	-	3
	37,749	**-**	**35,836**	**73,585**	**37,746**	**3**	**-**	**37,749**
Financial liabilities								
Other non-current financial liabilities	-	-	68	68	-	-	-	-
Trade and other payables	-	-	4,824	4,824	-	-	-	-
Lease liabilities current and non-current	-	-	7,804	7,804	-	-	-	-
Other current financial liabilities	-	-	3,254	3,254	-	-	-	-
	-	**-**	**15,950**	**15,950**	**-**	**-**	**-**	**-**

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

The above disclosure excludes non-current investment in subsidiaries that are accounted at cost and hence not considered.

31 March 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	12,677	12,677	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	2	2				
Current investments	53,590	-	-	53,590	53,590	-	-	53,590
Trade receivables	-	-	23,140	23,140	-	-	-	-
Other non-current financial asset	-	-	1,363	1,363	-	-	-	-
Other current financial asset	-	-	1,480	1,480	-	-	-	-
	53,590	**-**	**38,662**	**92,252**	**53,590**	**-**	**-**	**53,590**
Financial liabilities								
Other non-current financial liabilities	-	-	781	781	-	-	-	-
Trade and other payables	-	-	5,659	5,659	-	-	-	-
Lease liabilities current and non-current	-	-	8,578	8,578				
Other current financial liabilities	49	194	4,014	4,257	-	243	-	243
	49	**194**	**19,032**	**19,275**	**-**	**243**	**-**	**243**

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

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

During the reporting years ended 31 March 2021 and 31 March 2020, there have been no transfers of financial instruments between Level 1 or Level 2 or Level 3 fair value measurements.

Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of current financial assets / liabilities recognised in the financial statements at amortised value, approximate their fair values due to their short-term nature. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The fair value of long-term security deposit is Rs. 1,472 as at March 31, 2021 and is Rs.1,363 as at March 31, 2020. The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair value of non-current financial Liabilities approximates its carrying value.

C. Financial risk management

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

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

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

i. Credit risk

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

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

Trade and other receivables

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

The Company has trade receivables primarily from intercompanies. On analysis of historic bad debts and ageing of accounts of these receivables, the Company does not foresee any credit risk.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. Out of the total trade and other receivables of Rs. 25,503 and Rs. 23,845 as of 31 March 2021 and 31 March 2020 respectively, the Company has receivables which are past due and impaired as detailed below:

	31 March 2021	31 March 2020
Balance at the beginning of the year	**705**	628
Addition pursuant to merger of IIMSL	**-**	2
Addition pursuant to merger of LHA	**12**	-
Impairment loss recognised	**-**	75
Impairment provision written back	**(242)**	-
Balance at the end of the year	**475**	705

Others

Credit risk of the Company on cash and cash equivalents and investments is subject to low credit risk since the investments of the Company are only in liquid debt securities with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Counter parties to foreign currency forward contracts are typically multinational banks with appropriate market reputation.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company also has sufficient overdraft credit facilities with financial institutions to meet any liquidity requirements.

The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

31 March 2021		Contractual cash flows		
	Carrying amount	Within one year	One year but not more than five years	More than five years
Lease liabilities	7,804	2,112	6,198	1,145
Other non-current financial liabilities	68	-	68	-
Current financial liabilities	3,254	3,254	-	-
Trade and other payables	4,824	4,824	-	-

31 March 2020		Contractual cash flows		
	Carrying amount	Within one year	One year but not more than five years	More than five years
Lease liabilities	8,578	2,217	6,140	2,608
Other non-current financial liabilities	781	-	781	-
Current financial liabilities	4,257	4,257	-	-
Trade and other payables	5,659	5,659	-	-

iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk and market value of its investments. The exposure to market risk is a function of investing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

The currency profile of financial assets and financial liabilities as at 31 March 2021 and 31 March 2020 is as below::

Unhedged foreign currency exposures as on 31 March 2021

Particulars	Cash and cash equivalents	Trade receivables*	Trade Payables	Other financial liabilities
USD	1,700	196	160	52
EUR	66	189	1,690	-
SGD	-	-	42	-
JPY	-	-	17	-
GBP	-	1	66	-
CAD	-	-	3	-
AUD	-	-	16	-
CHF	-	-	-	-
SEK	-	-	4	-
CNY	-	-	1	-
AED	-	-	-	-
PLN	-	-	2	-
DKK	-	-	2	-
HKD	-	-	16	-
OMR	-	192	-	-

*excludes allowance for doubtful receivables

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

Unhedged foreign currency exposures as on 31 March 2020

Particulars	Cash and cash equivalents	Trade receivables*	Trade Payables	Other financial liabilities
USD	674	788	410	26
EUR	71	238	767	-
SGD	-	-	1	-
JPY	-	-	17	-
GBP	1	2	27	-
CAD	-	-	2	-
AUD	-	2	2	-
CHF	-	1	-	-
SEK	-	-	-	-
CNY	-	-	1	-
AED	-	-	1	-
PLN	-	-	-	-
HKD	-	-	-	-
OMR	-	196	-	-

*excludes allowance for doubtful receivables

As at 31 March 2021 and 31 March 2020 every 1% increase / decrease in exchange rates of the respective foreign currencies compared to functional currency of the Company would result in increase / decrease in profit of the Company by approximately Rs. 3 and Rs. 7 respectively.

Currency risk

The Company is exposed to currency risk on account of its receivables and payables in foreign currencies. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, with a maturity period of generally less than one year. The Company does not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of 31 March 2021 and 31 March 2020:

Category	31 March 2021		31 March 2020	
	In million	In Rs. million	In million	In Rs. million
Forward contracts				
Hedges of recognized assets and liabilities				
USD/INR	**10**	**698**	13	950
Hedges of highly probable forecasted transactions				
USD/INR	**31**	**2,307**	56	4,292
		3,005		5,242

The table below analyses the derivative financial instruments to relevant maturity groupings based on the remaining period as on the balance sheet date:

	31 March 2021	31 March 2020
Forward contracts in USD		
Not later than one month	**348**	455
One to 6 months	**1,861**	2,414
6-12 months	**796**	2,373
	3,005	5,242

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

The following table provides the reconciliation of cash flow hedge reserve for the year ended 31 March 2021 and 31 March 2020

	31 March 2021	31 March 2020
Balance at the beginning of the year	**(127)**	49
Gain / (loss) recognised in other comprehensive income during the year	**194**	(178)
Amount reclassified to Statement of Profit and Loss during the year	**-**	(93)
Tax impact on above	**(67)**	95
Balance at the end of the year	**-**	(127)

Interest Risk

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

41 Contingent liabilities and commitments

A) Commitments

		31 March 2021	31 March 2020
(i)	Estimated value of contracts on capital account remaining to be executed [net of advances Rs. 55 (31 March 2020 Rs. 24)]	**1,259**	1,415
(ii)	Commitments given on leases consist primarily of common area maintenance charges of the Company's non-cancellable leases		

	31 March 2021	31 March 2020
Not later than one year	**425**	**468**
Later than one year but not later than five years	**1,117**	**1,208**
Later than five years	**276**	**503**
	1,818	**2,179**

B) Contingent liabilities

		31 March 2021	31 March 2020
(i)	Claims not acknowledged as debt	**643**	38

(ii) The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Further, there are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively.

Pending directives from the EPFO, the impact for past periods, if any, is not ascertainable reliably and consequently no financial effect has been provided for in the financial statements. The Company has complied with the order of the SC prospectively effective 1 March 2019 by including such allowances for PF contribution calculations.

iii) The Company has ongoing disputes with Sales Tax, Service Tax, VAT and the Customs authorities relating to availment of input tax credits and characterization of certain transactions etc. The management evaluated the inquiries/ notices/ orders received for the matter under dispute and concluded that any consequent claims or demands by the tax authorities will not succeed on ultimate resolution.

iv) The Company has ongoing disputes with income tax authorities that are pending before various judicial forums in relation to tax treatment of certain tax credits, expenses claimed as deductions, levy of buy back taxes, computation and allowability of tax holiday benefits, re-computation of Arms-Length Price margins, etc. The management evaluated the inquiries/ notices/ orders/ demands received for the matters under dispute and concluded that the Company's position will be upheld and there will not be adverse effect on the Company's financial position and its results on ultimate resolution of these matters.

In addition to the above, the Company is confident of receiving a favourable resolution/order at the judicial forum in respect of the on-going litigations for the FY 2010-2011 and FY 2011-2012 (covered under APA-1), before the settlement of the Advance Pricing Agreement (Refer Note - APA).

Notes to the financial statements as at 31 March 2021 *(Contd.)* *(Currency : INR in million)*

v) Advanced Pricing Agreement APA:

In respect of the transactions between the Company and the Capgemini Group entities operating outside India, the Company has filed APA 1- (Covered period - FY 2010-11 to FY 2014-15) and APA 2- (Covered period - FY 2016-17 to FY 2020-21). The determination of the arm's length pricing and the consequent tax outcome in respect of these transactions is subject to the approval of the APA by the Central Board of Direct Taxes, India, the Internal Revenue Services, USA and Capgemini USA entities (Bilateral Advance Pricing Agreement application filed by Capgemini USA (APA 1 and 2)), HMRC UK and Capgemini UK entities (Bilateral Advance Pricing Agreement application filed by Capgemini UK (APA 2)). The impact of these matters on the financial statements can be ascertained only upon ultimate resolution of the APA's.

42 Auditors' remuneration

	31 March 2021	31 March 2020
Statutory audit	**14**	17
Tax audit	**2**	3
Other services	**15**	1
Out of pocket expenses	**-**	1
	31	22

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

The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31 March 2021 and 31 March 2020. 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 2021 has been made in the financial statements based on the information received and available with the Company.

The amounts remaining unpaid to micro and small suppliers as at the end of the year

- Principal	**12**	17
- Interest *	**-**	1
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**126**	158
The amount of interest accrued and remaining unpaid at the end of each accounting year	**42**	39
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	**3**	3

* amount below rounding off norm

44 Employee stock compensation plans

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

Pursuant to the acquisition of IGATE Corporation by Capgemini SE, the Company's Performance Share Awards were converted into performance units issued by Capgemini SE, the ultimate parent company with effect from 1 July 2015. The other plans of the Company have been converted into cash settled incentives. Although the share-based awards are issued and administered by Capgemini SE, the Company is required to settle the obligation to the employee directly in cash. The features of the performance shares plan are set out below:

Notes to the financial statements as at 31 March 2021 *(Contd.)* *(Currency : INR in million)*

Particulars	2015 Plan
	31 March 2020
Vesting period	One, two or three years for the market condition and three years for the internal condition
Vesting schedule *	25% of the units on 1 July 2016, 1 July 2017 and 1 July 2018 subject to presence and market performance conditions and 25% of the units on 1 July 2019 subject to presence and internal performance conditions
Total number of units outstanding as at opening date	5,432
Units vested	5,432
Units forfeited or cancelled during the year **	-
Total number of units outstanding as at closing date	-
Fair value per unit on grant date (in Euros)	56.3

* Units vesting in the first three years are subject to a final adjustment clause tied to the change in the Capgemini SE share price between vesting dates and 1 July 2019

** The internal performance condition was satisfied 100% at the first vesting date, resulting in the vesting of 5,432 units

Details of charge and liability for the above performance plan are set out in table below-

	31 March 2020
Charge for the year	19
Liability as at balance sheet date	-

(ii) Table below sets out the stock option activity of the various share-based payment plans under which Capgemini SE granted stock options to the Company's employees.

Till the previous year ended 31 March 2020, the Company had recognised share-based payment cost using liability method. However, during the year ended 31 March 2021, in accordance with Ind AS 102 - Share based payments, the Company has recognised these compensation costs based on equity method. Consequent to this, the Company has recognised a share-based payment reserve of Rs. 2,658 as on 31 March 2021.

Particulars	31 March 2021				
	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Grant date	26-Jul-16	5-Oct-17	3-Oct-18	2-Oct-19	7-Oct-20
Performance assessment dates	Three years for the three performance conditions	Three years for the three performance conditions	Three years for the four performance conditions	Three years for the four performance conditions	Three years for the four performance conditions
Vesting period	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date
Total numbers of options outstanding at opening date	92,400	116,300	162,445	191,600	-
Total numbers of options granted during the year	8,439	-	-	-	211,690
Adiition pursuant to merger of LHA	-	-	1,000	1,000	-
Options exercised	100,839	-	-	-	-
Options forfeited or cancelled during the year	-	9,600	9,260	10,200	7,530
Total number of options outstanding at closing date	-	106,700	154,185	182,400	204,160
Weighted average remaining contractual life (in years)	-	0.5	1.5	2.5	3.5

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

Particulars	31 March 2021				
	2016 Plan	**2017 Plan**	**2018 Plan**	**2019 Plan**	**2020 Plan**
Pricing model used to calculate the fair value of shares	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	Monte Carlo for performance shares with external (market) conditions	Monte Carlo for performance shares with external (market) conditions
Fair values of performance conditions (Euro)	69.05	79.90	98.72	92.71	92.57
Main market conditions at grant date:					
Volatility	26.35%	25.65%	23.29%	23.14%	29.61%
Risk free interest rate	0.2% - 0.17%	-0.17% - 0.90%	-0.109% - 0.2429%	-0.478% - 0.458%	-0.499% - 0.4615%
Expected dividend rate	1.60 %	1.60%	1.60%	1.60%	1.60%
Charge for the year	17	161	445	342	179
Share based payment reserve	-	541	744	338	179

During the previous year the Company had used liability method. For this purpose, these employee stock awards were valued at fair value as on 31 March 2020.

Particulars	31 March 2020				
	2015 Plan	**2016 Plan**	**2017 Plan**	**2018 Plan**	**2019 Plan**
Grant date	29-Jul-15	26-Jul-16	5-Oct-17	3-Oct-18	2-Oct-19
Performance assessment dates	Three years for the three performance conditions	Three years for the three performance conditions	Three years for the four performance conditions	Three years for the four performance conditions	Three years for the four performance conditions
Vesting period	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date
Total numbers of options outstanding at opening date	56,600	95,600	1,19,650	1,66,610	1,94,600
Total numbers of options granted during the year	-	-	-	-	-
Options exercised	51,080	-	-	-	-
Options forfeited or cancelled during the year	5,520	3,200	3,350	4,165	3,000
Total number of options outstanding at closing date	-	92,400	116,300	162,445	191,600
Charge for the year	2	41	107	176	105
Amount payable under employee stock option plan - refer note 20	-	497	380	296	105

(iii) Capgemini SE, the ultimate parent company, has set up an employee share ownership plan, where eligible employees of the Company were invited to subscribe to the shares of the ultimate parent company at a discount of 12.5% to the current market price of the ultimate parent company shares. On 18 December 2017, 18 December 2018, 18 December 2019 and 17 December 2020 the ultimate parent company issued shares for 2017, 2018, 2019 and 2020 employee ownership plan respectively. The charge for the year for these plans are as below:

Particulars	ESOP 2017		ESOP 2018	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
Number of shares	**31,417**	31,417	**36,567**	35,574
Charge for the year	**6**	5	**10**	6
Share based payment reserve	**21**	15	**19**	9

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

Particulars	ESOP 2019		ESOP 2020	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
Number of shares	**39,681**	38,714	**45,763**	-
Charge for the year	**9**	2	**3**	-
Share based payment reserve	**11**	2	**3**	-

The Company has used fair value method for accounting of the above share-based payments.

(iv) During the year 31 March 2020, Capgemini SE, the ultimate parent company has vested shares to certain employees for February 2016 plan. The Company had recognised cost of Rs.308 in the Statement of Profit and Loss. Since the Company is not expecting recharge of the cost of acquiring these shares from the ultimate parent company, the corresponding liability has been credited to Share based payment reserve..

45 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. 429 (31 March 2020 Rs. 400). The total expenditure incurred on 'Corporate Social Responsibility Activities' for the current year is Rs. 437 (31 March 2020 Rs. 352).

As per the amendment to section 135(6), the unspent amount deposited to unspent corporate social responsibility account on 30 April 2020 amounting to Rs. 48 was entirely spent by the company in pursuance of its obligation towards the ongoing projects in current year.

In current year, the total expenditure incurred on CSR activities exceeds the gross amount required to be spent by Rs.9 such excess amount shall be set off against the requirement to be spent in immediately succeeding three financial years as per Rule 7 of Companies (Corporate Social Responsibility Policy) Amendment Rules,2021 in pursuance of its obligation towards the ongoing projects.

Details of ongoing CSR projects under Sec 135(6) of the Act

Balance as at 1st April 2020		Amount required to be spent during the year	Amount spent during the year		Balance as at 31st March 2021	
With the Company	In separate CSR unspent account		From the company's bank account	From separate CSR unspent account	With the Company	In separate CSR unspent account
-	48	429	437	48	-	-

Details of CSR expenditure under section 135 (5) of the Act in respect of other than ongoing projects

Balance unspent as at 1 April 2020	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 March 2021
-	-	-	-	**-**

Details of excess CSR expenditure under Section 135 (5) of the Act

Balance excess spent as at 1 April 2020	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at 31 March 2021
-	429	437	9

46 Merger schemes pending with National Company Law Tribunal, Mumbai (NCLT)

The Company has filed an application with the NCLT on 3 July 2021 to merge Solcen Technologies Pvt Ltd with the Company, under sections 230 to 232 of the Companies Act, 2013. The merger scheme was admitted by the Company's Board of Directors on 26 May 2021. The appointed date for the merger is 01 April 2021. The matter is pending before the NCLT and approval is still awaited.

Notes to the financial statements as at 31 March 2021 *(Contd.)*

(Currency : INR in million)

47 COVID-19 Impact

The World Health Organization in February 2020 declared outbreak of Coronavirus (COVID -19) as a pandemic. The pandemic rapidly spread throughout the world, including India. While Governments around the world including India took significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities, the COVID -19 pandemic did cause significant disturbance and slowdown of economic activity which led to the Company's offices being closed down in March 2020. The offices subsequently reopened in June 2020 in line with the resumption of economic activity and continues to function albeit in a limited fashion, there has been a second wave impacting the world at different points in time and impacting India since April 21.

Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdown in the preparation of the financial statements including the assessment of recoverable values of its assets. The Company is monitoring the situation closely taking into account directives from the Government. At this stage, the Company considers it is in a position, notably due to its digital capabilities, to ensure continuity of services currently demanded by its clients. However, the Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements..

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 a month prior to the due date of filing its income tax return (i.e. 31 December 2021). 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 Code on social security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

50 Previous year comparatives

Previous year's figures have been regrouped or reclassified, wherever necessary to conform to current year's presentation.

Signatures to Notes form an integral part of the standalone financial statements.

As per our report of even date attached

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No.: 012754N/ N500016

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

Jeetendra Mirchandani
Partner

Membership No: 048125

Srinivasa Rao Kandula
Wholetime Director & Chairman

DIN: 07412426
Place : Hyderabad

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

Armin Billimoria
Company Secretary
FCS - 8637
Place : Mumbai
Date : 23 August 2021

Sujit Sircar
Chief Financial Officer
Place : Bengaluru

Place : Pune
Date :23 August 2021

Independent Auditors' Report

To the Members of Capgemini Technology Services India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Capgemini Technology Services India Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") (refer Note 2.1 to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 March 31, 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in sub-paragraph 14 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 15 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to Note 38(b) and 38(c) of the Consolidated Financial Statement relating to merger of IGATE Infrastructure Management Services Limited, LiquidHub India Private Limited, Liquidhub Analytics Private Limited (the "Transferor Companies") with the Holding Company. Our opinion is not modified in respect of this matter

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 14 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

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

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

11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

13. The consolidated financial statements of the Company for the year ended March 31, 2020, were audited by another firm of chartered accountants under the Act who, vide their report dated July 27, 2020, expressed an unmodified opinion on those financial statements.

14. We did not audit the financial statements of an erstwhile wholly-owned subsidiary of the Holding Company, LiquidHub India Private Limited ("the erstwhile subsidiary"), which is merged with the Holding Company with effect from April 01, 2020, whose financial statements reflect total assets of Rs. 1,742 million and net assets of Rs. 1,474 million as at March 31, 2021, total revenue of Rs. 1,156 million, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 145 million and net cash inflows amounting to Rs. 379 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report dated July 1, 2021 have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid erstwhile subsidiary is based solely on the report of the other auditor

15. We did not audit the financial statements of 5 subsidiaries whose financial statements reflect total assets of Rs. 1,019 million and net assets of Rs. 835 million as at March 31, 2021, total revenue of Rs. 1,396 million, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 139 million and net cash inflow amounting to Rs. 52 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

16. The Consolidated Financial Statements for the year ended March 31, 2020 of Aricent Technologies (Holdings) Limited, which is acquired by the Holding Company with effect from April 01, 2020, were audited by another firm of chartered accountants under the Act who, vide their report dated August 31, 2020, expressed an unmodified opinion on those Consolidated Financial Statements (Refer Note 37(c) to the Consolidated Financial Statements).

17. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

18. 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) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor, except that the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India. In respect of the erstwhile subsidiary, the other auditor has reported that, "In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books".

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in paragraph 18(b) above.

    (g) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

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

        (i) The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – Refer Note 44 to the consolidated financial statements.

        (ii) The Group had long-term contracts including derivative contracts as at March 31, 2021 for which there were no material foreseeable losses.

(iii) During the year ended March 31, 2021, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

(iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2021.

19. The Group has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 048125
UDIN: 21048125AAAADW7186

Place: Pune
Date: August 23, 2021

Annexure A to Independent Auditors' report

Referred to in paragraph 18(g) of the Independent Auditors' Report of even date to the members of Capgemini Technology Services India Limited on the consolidated financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to Consolidated financial statements of Capgemini Technology Services India Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary companies to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to Consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Consolidated financial statements 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") issued by the ICAI and the Standards on Auditing 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 applicable to an audit of internal financial controls and 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 with reference to Consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated financial statements included obtaining an understanding of internal financial controls with reference to Consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of 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 Consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated financial statements

6. A company's internal financial control with reference to Consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated 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 Consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated financial statements

7. Because of the inherent limitations of internal financial controls with reference to Consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated financial statements to future periods are subject

to the risk that the internal financial control with reference to Consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated financial statements and such internal financial controls with reference to Consolidated financial statements were operating effectively as at March 31, 2021, 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.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated financial statements insofar as it relates to an erstwhile subsidiary of the Holding Company, LiquidHub India Private Limited, which is merged with the Company from April 1, 2020, is based on the corresponding report of the auditor of the erstwhile subsidiary incorporated in India. Our opinion is not modified in respect of this matter.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Jeetendra Mirchandani
Partner
Membership No. 048125
UDIN: 21048125AAAADW7186

Place: Pune
Date: August 23, 2021

Consolidated Balance Sheet as at 31 March 2021

(Currency : INR in million)

	Note	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	**27,236**	27,241
Right-of-use assets	4	**9,965**	9,488
Capital work-in-progress	5	**135**	666
Goodwill	6	**8,700**	472
Intangible assets	6	**475**	155
Financial assets			
Loans	7	**225**	398
Others	8	**1,826**	1,382
Deferred tax assets (net)	9	**9,731**	12,242
Income tax assets (net)	36	**9,418**	8,064
Other non-current assets	10	**2,087**	1,380
Total non-current assets		**69,798**	61,488
Current assets			
Financial assets			
Investments	11	**46,788**	53,589
Trade receivables	12	**34,088**	23,640
Cash and cash equivalents	13	**9,107**	14,119
Bank balances other than cash and cash equivalents	14	**1**	2
Loans	15	**-**	6
Others	16	**2,542**	1,656
Other current assets	17	**6,140**	9,181
Total current assets		**98,666**	102,193
TOTAL ASSETS		**168,464**	163,681
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	**591**	591
Other equity	19	**126,067**	124,284
Equity attributable to share holders of the Company		**126,658**	124,875
Non controlling interests		**456**	-
Total equity		**127,114**	124,875
Non-current liabilities			
Financial liabilities			
Lease liabilities	20	**7,189**	7,198
Others	21	**68**	788
Other non- current liabilities	22	**124**	-
Provisions	23	**5,368**	8,073
Total non-current liabilities		**12,749**	16,059
Current liabilities			
Financial liabilities			
Trade and other payables	24		
-Due to micro and small enterprises		**12**	17
-Due to other than micro and small enterprises		**6,465**	5,879
Lease liabilities	25	**2,442**	1,687
Others	26	**4,107**	4,371
Other current liabilities	27	**4,906**	3,612
Provisions	28	**8,099**	5,728
Income tax liabilities (net)	36	**2,570**	1,453
Total current liabilities		**28,601**	22,747
Total liabilities		**41,350**	38,806
TOTAL EQUITY AND LIABILITIES		**168,464**	163,681

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

As per our report of even date attached

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No.: 012754N/ N500016

Jeetendra Mirchandani
Membership No: 048125

Place : Pune
Date : 23 August 2021

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

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

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

Armin Billimoria
Company Secretary
FCS - 8637
Place : Mumbai
Date : 23 August 2021

Sujit Sircar
Chief Financial Officer
Place : Bengaluru

Consolidated Statement of Profit and Loss for the year ended 31 March 2021

(Currency : INR in million)

	Note	**31 March 2021**	31 March 2020
Revenue from operations	29	**176,483**	151,715
Other income	30	**3,975**	5,776
Total income		**180,458**	157,491
Expenses			
Employee benefit expense	31	**124,233**	100,715
Finance costs	32	**927**	746
Depreciation and amortisation expenses	33	**8,366**	6,899
Other expenses	34	**20,791**	24,936
Total expenses		**154,317**	133,296
Profit before tax		**26,141**	24,195
Tax expense:	36		
Current tax		**6,663**	5,317
Deferred tax		**2,577**	2,309
Profit for the year		**16,901**	16,569
Other comprehensive income/(loss)	35		
(i) Items that will not be reclassified subsequently to Statement of Profit and Loss			
Remeasurements of post-employment benefit obligations (Net)		**3,882**	(4,449)
Income tax relating to above item		**(1,014)**	1,035
(ii) Items that will be reclassified subsequently to Statement of Profit and Loss			
The effective portion of gain/(loss) on hedging instruments accounted for as cash flow hedges		**691**	(271)
Income tax relating to above item		**(241)**	95
Exchange differences on translation of foreign operations		**(4)**	248
Total other comprehensive income/(loss), net of tax		**3,314**	(3,342)
Total comprehensive income for the year		**20,215**	13,227
Profit attributable to:			
Owners of the Company		**16,867**	16,569
Non-controlling interests		**34**	-
Other comprehensive income attributable to:			
Owners of the Company		**3,303**	(3,342)
Non-controlling interests		**11**	-
Total comprehensive income attributable to:			
Owners of the Company		**20,170**	13,227
Non-controlling interests		**45**	-
Earnings per equity share			
Basic and diluted earnings per equity share (face value of Rs. 10 each)	42	**285.21**	280.17

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

As per our report of even date attached

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No.: 012754N/ N500016

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

Jeetendra Mirchandani
Membership No: 048125

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

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

Armin Billimoria
Company Secretary
FCS - 8637
Place : Mumbai

Sujit Sircar
Chief Financial Officer
Place : Bengaluru

Place : Pune
Date : 23 August 2021

Date : 23 August 2021

Consolidated Statement of Cash Flows for the year ended 31 March 2021

(Currency : INR in million)

		31 March 2021	31 March 2020
A.	**Cash flows from operating activities**		
	Profit before tax	**26,141**	24,195
	Adjustments for:		
	Depreciation and amortisation expenses	**8,366**	6,899
	Profit on sale of subsidiary	**-**	(10)
	Income on mutual funds	**(2,772)**	(3,041)
	Provisions no longer required written back	**(24)**	-
	Provision for doubtful trade receivables written (back)/off	**(178)**	60
	Bad trade receivables written off	**319**	66
	Provision for doubtful security deposits	**61**	-
	Profit on sale / disposal of assets (net)	**(169)**	(77)
	Interest on deposits with banks	**(587)**	(1,089)
	Other interest (including interest on income tax and service tax refunds)	**(13)**	(150)
	Interest on income tax	**78**	83
	Interest on lease obligations	**843**	660
	Employee stock compensation expense	**1,172**	321
	Unrealised foreign currency gain (net)	**640**	(139)
	Other provisions	**166**	-
	Operating profit before working capital changes	**34,043**	27,778
	Changes in working capital		
	Decrease in trade and other payables	**(944)**	(2,677)
	(Decrease) / increase in other current financials liabilities	**(344)**	237
	Increase in other non current liabilities	**82**	-
	Decrease in other non current financials liabilities	**-**	(66)
	Increase in other current liabilities	**660**	164
	Increase in current provisions	**2,112**	769
	(Decrease) / increase in other non-current provisions	**(1,896)**	885
	Decrease / (increase) in trade receivables	**1,091**	(1,373)
	Decrease / (increase) in non-current assets	**83**	(151)
	Decrease / (increase) in other current assets	**3,559**	(2,153)
	Decrease in other financial assets	**1,714**	62
	Cash flows from operating activities	**40,160**	23,475
	Taxes paid, net	**(6,122)**	(4,676)
	Net cash generated from operating activities (A)	**34,038**	18,799
B.	**Cash flows from investing activities**		
	Purchase of tangible and intangible assets	**(4,226)**	(4,483)
	Proceeds from sale of tangible and intangible assets	**113**	152
	Purchase of subsidiaries	**(43,490)**	(4,114)
	Proceeds from sale of subsidiary	**-**	37
	Purchase of current investments	**(187,896)**	(178,763)
	Proceeds from sale of current investments	**197,476**	166,395
	Loans given	**-**	(398)
	Loans repaid	**192**	-
	Interest received on fixed deposits	**785**	1,050
	Proceeds from margin money deposits	**1**	-
	Proceeds from bank deposit	**69**	-
	Net cash used in investing activities (B)	**(36,976)**	(20,124)

Consolidated Statement of Cash Flows for the year ended 31 March 2021

(Currency : INR in million)

		31 March 2021	31 March 2020
C.	**Cash flows from financing activities**		
	Payment towards share based liabilities	**(944)**	-
	Interest on lease obligations	**(843)**	(660)
	Payment of lease liabilities	**(2,600)**	(1,748)
	Net cash used in financing activities (C)	**(4,387)**	(2,408)
	Net decrease in cash and cash equivalents (A+B+C)	**(7,325)**	(3,733)
	Effect of exchange differences on translation of foreign currency cash and cash equivalent	**(20)**	61
	Add: Cash balances taken over pursuant to business combination (refer note 37 (c) & 37 (d))	**2,333**	-
	Less: Sale of Liquidhub Sp. z.o.o.	**-**	(12)
	Cash and Cash equivalents at the beginning of the year	**14,119**	17,803
	Cash and Cash equivalents at the end of the year	**9,107**	14,119
Notes :			
1)	**Reconciliation of cash and cash equivalents:**		
	Cash and cash equivalents comprise of:		
	Cash on hand*	**-**	-
	Remittances in transit	**-**	532
	Current accounts	**1,007**	623
	EEFC accounts	**2,201**	742
	Deposit accounts	**5,899**	12,222
	Cash and cash equivalents at the end of the year	**9,107**	14,119

* the amount is below the rounding off limit in million

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

3) For non-cash investing activity, refer additions to right-of-use assets in note 4.

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

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

As per our report of even date attached

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No.: 012754N/ N500016

Jeetendra Mirchandani
Membership No: 048125

Place : Pune
Date : 23 August 2021

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

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

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

Armin Billimoria
Company Secretary
FCS - 8637
Place : Mumbai
Date : 23 August 2021

Sujit Sircar
Chief Financial Officer
Place : Bengaluru

Statement of Changes in Equity (SOCIE) for the year ended 31 March 2021

(Currency : INR in million)

(a) Equity share capital

	31 March 2021	31 March 2020
Equity share capital balance at the beginning	**591**	591
Movement during the year	**-**	-
Equity share capital balance at the end	**591**	591

(b) Other equity

Particulars	Attributable to the equity holders of the Company											
	Reserves and surplus								Items of Other comprehensive income			Equity attributable to Equity share holders of the Company
	Capital reserve	Building revaluation reserve	Securities premium	Capital redemption reserve	General reserve	Share based payment reserve	Special Economic Zone re-investment reserve	Retained earnings	Effective portion of cash flow hedges	Exchange differences on translation of foreign operations	Remeas-urements of post- em-ployment benefit obligations	
Balance as at 31 March 2019	**(187)**	**1**	**836**	**330**	**1,432**	**409**	**54**	**112,073**	**49**	**(218)**	**15**	**114,794**
Debit balance of capital reserve net off with retained earnings as per Ind AS 103	187	-	-	-	-	-	-	(187)	-	-	-	-
Impact of first - time adoption of Ind AS 116	-	-	-	-	-	-	-	56	-	-	-	56
Capital reserve arising on elimination of investment in LHA and LHI (refer 37(a)& 37(b))	-	-	-	-	-	-	-	(4,114)	-	-	-	(4,114)
Employee stock compensation expense for the year (refer note 46)	-	-	-	-	-	13	-	-	-	-	-	13
Employee stock compensation expense for performance share 2016 plan (refer note 46 (iv))	-	-	-	-	-	308	-	-	-	-	-	308
Utilisation from Special Economic Zone re-investment reserve	-	-	-	-	-	-	(54)	54	-	-	-	-
Transferred to Special Economic Zone re-investment reserve	-	-	-	-	-	-	296	(296)	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	16,569	-	-	-	16,569
Other comprehensive income for the year	-	-	-	-	-	-	-	-	(176)	248	(3,414)	(3,342)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16,569**	**(176)**	**248**	**(3,414)**	**13,227**
Balance at 31 March 2020	**-**	**1**	**836**	**330**	**1,432**	**730**	**296**	**124,155**	**(127)**	**30**	**(3,399)**	**124,284**

(Currency : INR in million)

Particulars	Attributable to the equity holders of the Company													
	Reserves and surplus								Items of Other comprehensive income			Equity attributable to Equity share holders of the Company	Non controlling Interest	Total Other equity
	Capital reserve	Building revaluation reserve	Securities premium	Capital redemption reserve	General reserve	Share based payment reserve	Special Economic Zone reinvestment reserve	Retained Earnings	Effective portion of cash flow hedges	Exchange differences on translation of foreign operations	Remeasurements of post-employment benefit obligations			
Balance at 31 March 2020	**-**	**1**	**836**	**330**	**1,432**	**730**	**296**	**124,155**	**(127)**	**30**	**(3,399)**	**124,284**	**-**	**124,284**
Additions pursuant to business combination (refer note 37 (c))	(1,708)	-	491	3,482	-	-	-	19,751	(216)	-	-	21,800	411	22,211
Capital reserve arising on business combination (refer note 37 (c))	(41,696)	-	-	-	-	-	-	-	-	-	-	(41,696)	-	(41,696)
Debit balance of capital reserve net off with retained earnings as per Ind AS 103	43,404	-	-	-	-	-	-	(43,404)	-	-	-	-	-	-
Employee stock compensation expense for the year (refer note 46)	-	-	-	-	-	1,172	-	-	-	-	-	1,172	-	1,172
Employee stock compensation previously classified as liability awards now classified as equity awards (refer note 46)	-	-	-	-	-	1,281	-	-	-	-	-	1,281	-	1,281
Recharge of employee stock compensation expense from the ultimate parent company	-	-	-	-	-	(514)	-	(430)	-	-	-	(944)	-	(944)
Utilisation from Special Economic Zone re-investment reserve	-	-	-	-	-	-	(113)	113	-	-	-	-	-	-
Transferred to Special Economic Zone re-investment reserve (includes an amount of Rs 130 for the previous year)	-	-	-	-	-	-	480	(480)	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	16,867	-	-	-	16,867	34	16,901
Other comprehensive income for the year	-	-	-	-	-	-	-	-	445	(4)	2,862	3,303	11	3,314
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16,867**	**445**	**(4)**	**2,862**	**20,170**	**45**	**20,215**
Balance at 31 March 2021	**-**	**1**	**1,327**	**3,812**	**1,432**	**2,669**	**663**	**116,572**	**102**	**26**	**(537)**	**126,067**	**456**	**126,523**

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

As per our report of even date attached

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No.: 012754N/ N500016

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

Jeetendra Mirchandani
Membership No: 048125

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

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

Armin Billimoria
Company Secretary
FCS - 8637
Place : Mumbai
Date : 23 August 2021

Sujit Sircar
Chief Financial Officer
Place : Bengaluru

Place : Pune
Date : 23 August 2021

Notes to the consolidated financial statements for the year ended 31 March 2021

(Currency : INR in million)

1 Corporate overview

Capgemini Technology Services India Limited ("the Company" or "CTSIL") is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. These consolidated financial statements comprise the Company and its subsidiaries (refer 2.1(i)) (collectively referred to as the 'Group'). The Group is primarily engaged in providing Information Technology ("IT") and IT - enabled operations, software product development services, software consulting services, offshore outsourcing solutions and BPO (business process outsourcing) services to large and medium-sized organizations using an offshore/onsite model. The Group has its branches and subsidiaries in India, Singapore, United States, China, UK, Germany, Belgium, Finland, Australia, South Korea and Canada. IT services and IT-enabled operation offshore outsourcing solutions are delivered using the offshore centers located in Bangalore, Bhubaneshwar, Hyderabad, Chennai, Noida, Mumbai, Pune, Kolkata, Trichy, Salem, Gurugram and Gandhinagar in India.

2 Significant accounting policies

2.1 Statement of compliance and basis of preparation

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

New and amended standards adopted by the Group

The Group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2020:

- Definition of Material - amendments to Ind AS 1 and Ind AS 8
- Definition of a Business - amendments to Ind AS 103
- COVID-19 related concessions - amendments to Ind AS 116
- Interest Rate Benchmark Reform - amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

i) Basis of consolidation

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

The consolidated financial statements include the financial statements of the Company and its subsidiaries, which are owned and controlled. The financial statements of the Company and its majority owned/ controlled subsidiaries which are drawn up to the same reporting date have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all intra-group balances/transactions and resulting unrealised gain/loss.

The financial statements of the following entities in the Group are prepared using uniform accounting policies and are drawn up to the same accounting period as that of the Group

Name of the entity	Relationship	Country	Voting power % as at	
			31 March 2021	31 March 2020
1 Liquidhub Analytics Private Limited (LHA) (w.e.f. 25 November 2019)*	Subsidiary	India	-	100
2 Liquidhub India Private Limited (LHI) (w.e.f. 28 November 2019)*	Subsidiary	India	-	100
3. Dalian Liquidhub Consulting Services Ltd Co. (w.e.f. 25 November 2019, liquidated w.e.f. 15 October 2020)	Subsidiary	China	-	100
4. Annik Inc. (w.e.f. 25 November 2019)	Subsidiary	USA	100	100
5. Annik UK LTD (w.e.f. 25 November 2019)	Subsidiary	UK	100	100
6. Liquidhub PTE. LTD. (w.e.f. 25 November 2019)	Subsidiary	Singapore	100	100
7. Solcen Technologies Private Limited (w.e.f. 23 October 2020)**	Subsidiary	India	100	-
8. Aricent Technologies (holdings) Limited (w.e.f. 23 November 2020)***	Subsidiary	India	98.25	-

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

* merged with CTSIL w.e.f 1 April 2020 (refer note 38(c))
** refer note 37 (d)
*** refer note 37 (c)

ii) Subsidiaries

Subsidiaries are entities controlled by the Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Generally, there is a presumption that majority of voting rights results in control. To support this presumption and when the Group has less than majority of voting or similar rights over an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- Rights arising from other contractual arrangements
- Potential voting rights held by the Group

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

Non-controlling interests in the results and equity of subsidiary are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively. "

2.2 Functional currency and presentation currency

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

2.3 Use of estimates

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

Revenue recognition

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

Taxes

The Group provides for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Group against which such assets can be utilized. MAT (Minimum Alternate Tax) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and is included in deferred tax assets.

In the year in which the MAT credit becomes eligible for utilisation, there will not be any reduction in the taxable profits and the current income taxes to be recognized in the profit and loss account. Accordingly, the Group utilises the MAT credit towards settlement of current tax liability and hence such utilisation is not routed through profit and loss account.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

The Group reviews the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Group will be able to absorb such credit during the specified period.

Business combination

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

Defined benefit plans and compensated absences

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

Allowance for trade receivables

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

Useful life of property, plant and equipment

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

Impairment of non-financial assets

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any indication exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Also, Goodwill is tested for impairment on an annual basis and accordingly, the recoverable amount is estimated on an annual basis.

The recoverable amount of an asset or cash-generating unit (‘CGU’) is the greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets that cannot be tested individually are combined together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (‘CGU’).

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management’s best estimate about future developments.

Provisions and contingent liabilities

Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates. The Group uses significant judgement to disclose contingent liability.

Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

2.4 Business combinations

Business combinations (other than common control business combinations)

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill."

The goodwill that arises is tested annually for impairment.

Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

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

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

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

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

Common control business combinations

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

2.5 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:

- it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- 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. Deferred tax assets are classified as non-current assets.

All other assets are classified as non-current.

Liabilities

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

- it is expected to be settled in the group'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 Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. Deferred tax liabilities are classified as non-current liabilities.
All other liabilities are classified as non-current.

Operating cycle

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

2.6 Property, plant and equipment

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

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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

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

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

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

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

2.7 Capital work in progress

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

2.8 Depreciation on property, plant and equipment

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

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

Gross block	Assets capitalised on or before 31 December 2015	Assets capitalised post 1 January 2016
Leasehold Land	Over the lease period	Over the lease period
Buildings*	25-40 years	30 years
Leasehold Improvements	Lower of lease period or primary lease period	Lower of lease period or 6 years
Computers*	3 years	3-5 years
Furniture and fixtures*	5 years	5-7 years
Office equipment*	5 years	2-15 years
Vehicles*	4-5 years	3-5 years

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

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

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

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

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

2.9 Intangible assets

Goodwill

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Acquired intangible assets

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

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

Gross block	Useful life
Computer software	lower of license period or 3 - 5 years
Customer contract	1.5 years
Customer relationships	8 years
Trade name	3 years
Non-compete	5 years

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

2.10 Leases

Group as a lessee

The Group adopted Ind AS 116 with effect from 1 April 2019 in accordance with Ind AS 116, at the inception of a contract, the Group assesses whether the contract is or contains a lease. The Group determines that a contract is or contains a lease if the contract conveys right to control the use of an identified asset for a period of time in exchange for a consideration.

The Group recognises lease liability at the present value of the future lease payments for non-cancellable period of a lease which is not short term in nature, except for lease of low value items.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

The future lease payments for non-cancellable period is discounted using the Group's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the Group under residual value guarantee, the exercise price of a purchase option if the Group is reasonably certain to exercise that option and payment of penalties for terminating the lease if the lease term considered reflects that the Group shall exercise termination option. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The Group also recognises a right-of-use asset which comprises of amount of initial measurement of the lease liability, any initial direct cost incurred by the Group and estimated costs to dismantle or remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payment, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease lability is remeasured in this way, a corresponding adjustment is made to carrying amount of the right-of-use asset, or is recorded in the Statement of Profit and Loss if the carrying value of the right-of-use asset has been reduced to zero.

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

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

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right- of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

2.11 Revenue recognition

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

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

(i) Time and material contracts

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

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

(ii) Fixed price contracts

Revenue from fixed-price development contracts is recognised using the percentage of completion method, under which the contract performance is determined by relating the actual costs incurred to date to the estimated total costs for each contract. The cost incurred (or input) method is used to measure progress as there is a direct relationship between input and productivity. If the Group does not have a sufficient basis to measure the progress of completion, revenue is recognised only to the extent contract costs incurred, for which recoverability is probable. The related costs on deliverable- based contracts are expensed as incurred.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The Group earns contractually the right to bill upon achievement of specified milestones or upon customer acceptance of work performed. The difference between cumulative billings and cumulative revenue recognised is reflected in the balance sheet as contract assets or contract liabilities.

(iii) Fixed price maintenance contracts

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

(iv) Products

Revenue on software product licenses where the customer obtains a “right to use” are recognized when the customer obtains control of the specified asset usually on delivery of the software license to the customer. However, where the delivery is subject to acceptance from the customer the revenue is recognized on receipt of acceptance from the customer. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed.

(v) Others

- As part of its operational activities, the Group may be required to resell hardware, software and services purchased from third- party suppliers to its customers. The Group acts as a “principal” when it obtains control of the hardware, software or services before transferring them to the customer. In such case, the transaction is presented on a gross basis in the Statement of Profit and Loss. If the Group acts as an “agent”, the transaction is presented on a net basis in the Statement of Profit and Loss. For example, transactions are recorded on a net basis when the Group does not have the primary responsibility for the fulfilment of the contract and does not bear inventory and customer acceptance risk.
- Revenue from services rendered to parent Group, ultimate parent Group and fellow subsidiaries is recognised on cost plus mark-up basis determined on arm’s length principle as and when the related services are rendered.
- Revenue on multi- deliverable contracts is recognised applying the appropriate method as specified above, depending on the performance obligations identified. The transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.
- The Group does not expect to have any contracts where the period between the transfer of the promised services or goods to the Customer and payment by the Customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

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

Costs to obtain and fulfill contracts

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

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

Other costs incurred to fulfill a contract are expensed as incurred, with the exception of certain initial set- up costs, such as transition and transformation costs.

Reimbursements received from customers are recognised as revenue.

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

Contract Assets and Liabilities

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

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

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

(vi) Judgements in revenue recognition

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

(vii) Recognition of dividend income, interest income or expense

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

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

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

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

2.12 Government grant

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established and there is no uncertainty in receiving the same.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

2.13 Foreign currency transactions and balances

i) Initial recognition

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

ii) Translation

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

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

iii) Translation of foreign operations

The assets and liabilities of foreign operations (subsidiaries and branches) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. All resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to the Statement of Profit and Loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to OCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the Statement of Profit and Loss.

2.14 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.

(ii) Post-employment benefits

(a) Defined benefit plan - Provident fund

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

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

Further, based on the legal opinion obtained from an independent legal counsel, the Group is obligated to make good the loss incurred by the Trust in respect of bad investments. The liability is determined based on actuarial valuation.

(b) Defined contribution plan - Provident fund

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

(c) Defined benefit plan - Gratuity

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

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

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

(d) Defined benefit plan - Pension

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

(iii) Other long-term employee benefit obligations

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. The obligation in respect of compensated absences is provided on the basis of an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan is based on the market yields as at the balance sheet date on Government securities, having maturity periods approximating to the terms of the related obligations. Actuarial gains and losses are recognised in other comprehensive income, net of taxes, for the period in which they occur. To the extent the Group does not have an unconditional right to defer the utilization or encashment of the accumulated compensated absences, the liability determined based on actuarial valuation is considered to be a current liability.

2.15 Employee stock compensation

Employees of erstwhile IGATE Global Solutions Limited (IGSL)

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

Employees of the Group

Performance shares and employment linked shares

Capgemini SE, the ultimate parent company has also allocated performance shares and employment linked shares of the ultimate parent company to the employees of the Group. The grant of such performance and employment linked shares relate to the share capital of the ultimate parent company and has no impact on the Group's share capital. Upon vesting of these shares, the ultimate parent company may recharge the cost of acquisition of these shares to the Group.

Till the year ended 31 March 2020, the Group recognised such compensation costs based on liability method. For this purpose, these employees stock-based awards' were valued at fair value as at closing date. Such stock-based awards' compensation expenses were recognised under "Employee benefit expense" in the Statement of Profit and Loss on a straight-line basis over the vesting period with a corresponding credit to Other current / Non-current financial liabilities.

However, during the year ended 31 March 2021, in accordance with Ind AS 102 - Share-based payments the Group has recognised these compensation costs based on equity method. Accordingly, these employees stock-based awards' were valued at fair value as at grant date. The stock-based awards' compensation expenses are recognised under "Employee benefit expense" in the Statement of Profit and Loss on a straight-line basis over the vesting period with a corresponding credit to share-based payment reserve in other equity. On receipt of recharge invoice for a particular plan from the ultimate parent company, the Group utilises the credit available in share-based payment reserve against such plan. Any excess recharge by the ultimate parent company is adjusted in retained earnings.

Employee share ownership plan

Capgemini SE, the ultimate parent company, has set up an employee share ownership plan, where eligible employees of the Group were invited to subscribe to the shares of the ultimate parent company at a discount of 12.5% to the current market price of the ultimate parent

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

company shares. The grant of such option relate to share capital of the ultimate parent company and has no impact on the Group's share capital.

Accordingly, expenses relating to these employee share ownership plan are recognised under "Employee benefit expense" in the Statement of Profit and Loss on a straight-line basis over the vesting period with a corresponding credit to Share based payment reserve in other equity.

2.16 Income taxes

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

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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

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

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

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

2.17 Earnings per share

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

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

2.18 Provisions

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

Provision for warranty

Provisions for warranty-related costs are recognised when the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Provision for site restoration

The Group records a provision for site restoration costs to be incurred for the restoration of leased land and building at the end of the lease period. Site restoration costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Onerous Contracts

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

2.19 Contingent liabilities

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

2.20 Cash Flows

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

For the purpose of presentation in the statement of cash flows, cash comprises cash on hand. Cash equivalents includes time deposits including deposits with maturities more than three months, which can be withdrawn by the Group at any point without prior notice or penalty. These are highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.21 Financial instruments

(i) Recognition and initial measurement

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

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

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

(ii) Classification and subsequent measurement

Financial assets

Initial recognition and measurement

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

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

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

(iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

(iv) Offsetting

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

(v) Derivative instruments and hedge accounting

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

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether the changes in the cash flows of the hedging instrument are expected to offset changes in cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Cash Flow Hedges

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

The Group designates the full change in fair value of the forward contract (including forward points) as the hedging instrument. The gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity. For hedged forecast transactions, the amount accumulated in other equity is reclassified to the Statement of Profit and Loss in the same period or periods during which the hedged expected future cash flows affect profit or loss. If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, it is reclassified to the Statement of Profit and Loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the Statement of Profit and Loss.

Embedded foreign currency derivatives

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- the functional currency of any substantial party to that contract,
- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,

- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit or loss. The Group currently does not have any such derivatives which are not closely related.

2.22 Impairment

(i) Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on:

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

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

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

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

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

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

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

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

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

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

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

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

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held)

Measurement of expected credit losses

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

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

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

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

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

Write-off

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

(ii) Impairment of non-financial assets

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

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

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

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

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

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

2.23 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.24 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.25 Goods and Services Tax (GST) paid on acquisition of assets or on expenditure:

Expenses and assets are recognized net of the amount of GST paid, except:

- When GST paid on purchase of assets or services is ineligible for input credit, then in such cases, the GST amount forms part of the cost of acquisition of the asset or expense;
- When receivables and payables are stated with the amount of tax included.

The amount of GST recoverable and payable is shown as current asset and liability respectively.

2.26 Segment Information

Operating segments (primary and secondary) are reported in the manner consistent with the internal reporting provided to chief operating decision maker. The Board of Directors, Chief Executive Officer and Chief Financial Officer of the Company (together referred to as the "Management") are responsible to assess the financial performance and position of the Group, and make strategic decisions. Refer Note 40 for segment information presented.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

3 Property, plant and equipment

	Freehold land (refer note a)	Leasehold land (refer note a)	Buildings (refer note a)	Computers	Office equipment	Furniture and fixtures	Leasehold improvements	Vehicles	Total
Gross block									
Balance as at 1 April 2019	270	1,610	18,454	12,432	11,352	7,456	3,512	157	55,243
Transferred to right-of-use assets	-	(1,610)	-	-	-	-	-	(45)	(1,655)
Additions	-	-	1,229	2,000	1,387	915	509	-	6,040
Disposals	-	-	-	(1,091)	(227)	(159)	(398)	(2)	(1,877)
Other adjustment*	-	-	-	2	-	1	-	-	3
At 31 March 2020	270	-	19,683	13,343	12,512	8,213	3,623	110	57,754
Additions pursuant to business combination (refer note 37 (c) and (d))	-	-	-	2,640	589	284	1,054	8	4,575
Additions	-	-	277	2,880	481	344	221	-	4,203
Disposals	-	-	(13)	(760)	(219)	(99)	(220)	(2)	(1,313)
Other adjustment*	-	-	-	-**	-**	-**	-	-	-
At 31 March 2021	**270**	**-**	**19,947**	**18,103**	**13,363**	**8,742**	**4,678**	**116**	**65,219**
Accumulated depreciation									
Balance as at 1 April 2019	-	(165)	(3,332)	(9,526)	(7,604)	(4,752)	(2,342)	(126)	(27,847)
Transferred to right-of-use assets	-	165	-	-	-	-	-	30	195
Charge for the year	-	-	(595)	(1,888)	(1,203)	(509)	(420)	(10)	(4,625)
Disposals	-	-	-	1,059	208	144	354	2	1,767
Other adjustment*	-	-	-	(2)	(0)	(1)	-	-	(3)
At 31 March 2020	-	-	(3,927)	(10,357)	(8,599)	(5,118)	(2,408)	(104)	(30,513)
Additions pursuant to business combination (refer note 37 (c) and (d))	-	-	-	(2,335)	(454)	(246)	(617)	(6)	(3,658)
Charge for the year	-	-	(616)	(2,327)	(1,089)	(548)	(509)	(3)	(5,092)
Disposals	-	-	8	757	203	94	216	2	1,280
Other adjustment*	-	-	-	-**	-**	-**	-	-	-
At 31 March 2021	**-**	**-**	**(4,535)**	**(14,262)**	**(9,939)**	**(5,818)**	**(3,318)**	**(111)**	**(37,983)**
Net block									
At 31 March 2020	270	-	15,756	2,986	3,913	3,095	1,215	6	27,241
At 31 March 2021	**270**	**-**	**15,412**	**3,841**	**3,424**	**2,924**	**1,360**	**5**	**27,236**

*Other adjustment refers to adjustment pertaining to foreign exchange on conversion of foreign operations

**amount below rounding off norm

(a) Freehold land and buildings thereon of gross block Rs. 204 (31 March 2020 : Rs. 2,734) and accumulated depreciation amounting to Rs. 97 (31 March 2020 : Rs. 1,024) are pending name change / registration in the name of the Company pursuant to merger of Capgemini India Private Limited with the Company.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

4 Right-of-use assets

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

	Leasehold land (refer note a)	Lease Building	Lease Computer Equipment	Lease Vehicles	Total
Gross Block					
Balance as at 1 April 2019	-	-	-	-	-
Addition on account of transition to Ind AS 116	1,445	8,370	48	31	9,894
Additions	-	1,980	-	5	1,985
Disposals / termination	-	(404)	-	(19)	(423)
Other adjustments*	-	1	-	-	1
At 31 March 2020	1,445	9,947	48	17	11,457
Additions pursuant to business combination (refer note 37 (c) and (d))	-	2,705	-	-	2,705
Additions	-	1,860	-	423	2,283
Movement on account of lease modification	-	(298)	-	-	(298)
Disposals / termination	-	(1,223)	(17)	(110)	(1,350)
Other adjustments*	-	-**	-	-	-
At 31 March 2021	**1,445**	**10,085**	**31**	**330**	**14,797**
Accumulated depreciation					
Balance as at 1 April 2019	-	-	-	-	-
Charge for the year	(17)	(2,009)	(30)	(18)	(2,074)
Disposals / termination	-	88	-	17	105
Other adjustments*	-	-**	-	-	-
At 31 March 2020	(17)	(1,921)	(30)	(1)	(1,969)
Additions pursuant to business combination (refer note 37 (c) and (d))	-	(757)	-	-	(757)
Disposals / termination	-	724	17	83	824
Charge for the year	(17)	(2,667)	(14)	(232)	(2,930)
Other adjustments*	-	-**	-	-	-
At 31 March 2021	**(34)**	**(4,620)**	**(27)**	**(150)**	**(4,832)**
Net Block					
At 31 March 2020	1,428	8,026	18	16	9,488
At 31 March 2021	**1,411**	**8,371**	**4**	**180**	**9,965**

*Other adjustment refers to adjustment pertaining to foreign exchange on conversion of foreign operations

**amount below rounding off norm

a) Leasehold land of gross block Rs. 197 (31 March 2020: Rs. 178) and accumulated depreciation amounting to Rs. 20 (31 March 2020: Rs. 17) is pending name change/ registration in the name of the Company pursuant to merger of Capgemini India Private Limited with the Company.

Amount recognised in Consolidated Statement of Profit and Loss

Particulars	2020-21	2019-20
Gain on lease modifications	110	42
Amortisation of right-of-use assets	2,930	2,074
Interest on lease liabilities	843	660
Expenses relating to short-term lease	12	-

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

Amounts recognised in the Consolidated Statement of Cash Flows

Particulars	2020-21	2019-20
Interest on lease obligations	(843)	(660)
Payment of lease liabilities	(2,600)	(1,748)

Transition to Ind AS 116:

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

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

The Group has used a single discount rate to a portfolio of leases with similar characteristics.

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

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

The Group recognised Rs. 8,434 as right-of-use assets and Rs. 8,988 as lease liability in the balance sheet on the date of transition i.e., 1 April 2019. The cumulative effect on transition in retained earnings is Rs. 56.

The weighted average incremental borrowing rate of 8.62% have been applied to lease liabilities recognised in the balance sheet at the date of initial application.

Finance Lease:

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

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

Particulars	Amount
Lease commitments as at 31 March 2019	13,868
Exclusion of non lease components	(2,270)
Others	102
Discounting impact	(2,712)
Lease liabilities as on 1 April 2019	8,988
Reclassification of present value of finance lease liabilities at 31 March 2019	17
Lease liabilities as on 1 April 2019	9,005

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

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

Particulars	Amount
Increase in lease liability by	8,988
Increase in right-of-use assets by	8,434
Decrease in CWIP	44
Decrease in lease equalisation reserve	594
Increase in retained earnings	56
Increase/Decrease in deferred tax assets by	60

5 Capital work-in-progress

Balance as at 1 April 2019	2,549
Transferred to right-of-use assets	(44)
Additions	4,257
Capitalisation	(6,096)
At 31 March 2020	666
Additions pursuant to business combination (refer note 37 (c) and (d))	6
Additions	3,752
Capitalisation	(4,289)
At 31 March 2021	**135**

6 Intangible assets

	Goodwill	Computer software	Trade Name	Customer Relationships	Non-compete	Customer Contract	Total
Gross block							
Balance as at 1 April 2019	472	3,119	-	-	-	-	3,591
Additions	-	56	-	-	-	-	56
Disposals	-	(36)	-	-	-	-	(36)
At 31 March 2020	472	3,139	-	-	-	-	3,611
Additions pursuant to business combination (refer note 37 (c) and (d))	8,228	529	115	1,066	52	112	10,102
Additions	-	85	-	-	-	-	85
At 31 March 2021	**8,700**	**3,753**	**115**	**1,066**	**52**	**112**	**13,798**
Amortisation							
Balance as at 1 April 2019	-	(2,792)	-	-	-	-	(2,792)
Charge for the year	-	(200)	-	-	-	-	(200)
Disposals	-	8	-	-	-	-	8
At 31 March 2020	-	(2,985)	-	-	-	-	(2,984)
Additions pursuant to business combination (refer note 37 (c) and (d))	-	(399)	(115)	(621)	(48)	(112)	(1,295)
Charge for the year	-	(207)	-	(133)	(4)	-	(344)
At 31 March 2021	**-**	**(3,590)**	**(115)**	**(754)**	**(52)**	**(112)**	**(4,623)**
Net block							
At 31 March 2020	472	155	-	-	-	-	627
At 31 March 2021	**8,700**	**163**	**-**	**312**	**-**	**-**	**9,175**

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

Impairment tests for goodwill

(i) The Group acquired goodwill of Rs. 7,803 through acquisition of Aricent Technologies Holdings Limited (ATHL) (refer note 37(c))

(ii) Goodwill is monitored by management at the level of operating segments identified in note 40

(iii) Significant estimate: Key assumptions used for value-in-use calculations

ATHL tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the cash generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management of ATHL covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The following table sets out the key assumptions:

	31 March 2021
Sales volume (annual growth rate)	4%
Gross budgeted margin	32%
Annual capital expenditure (in INR million)	346
Long-term growth rate	3%
Pre-tax discount rate	12%

Assumption Approach used to determine values

Sales volume growth rate over the five-year forecast period: based on past performance and management's expectations of market development.

Budgeted gross margin: Based on past performance and management's expectations for the future.

Annual capital expenditure: This is based on the historical experience of management, and the planned refurbishment expenditure. No incremental revenue or cost savings are assumed in the value-in-use model as a result of this expenditure.

Long-term growth rate: This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

Pre-tax discount rates: Reflect specific risks relating to the relevant industry and the countries in which they operate.

		31 March 2021	31 March 2020
7	**Loans**		
	Non-current		
	Unsecured, considered good		
	Loans to related parties (refer note 41)	**225**	398
8	**Other financial assets**		
	Non-current		
	Unsecured, considered good		
	Security deposits	**1,826**	1,382
	Unsecured, considered doubtful		
	Security deposits	**71**	31
	Less: Provision for doubtful deposits	**71**	31
		1,826	1,382

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

		31 March 2021	31 March 2020
9	**Deferred tax assets (net)**		
	Deferred tax liabilities		
	Goodwill	**1,227**	-
	Cash flow hedges	**85**	-
	Others	**559**	216
		1,871	216
	Deferred tax assets		
	Cash flow hedges	**-**	67
	Property, plant and equipment and intangible assets	**517**	3,726
	Provisions - employee benefits	**3,723**	3,192
	Provision for doubtful trade receivables	**173**	258
	Merger expenses	**41**	42
	MAT credit carried forward	**6,213**	5,166
	Others	**935**	7
		11,602	12,458
	Net deferred tax asset (refer note 36)	**9,731**	12,242
10	**Other non-current assets**		
	Capital advances	**490**	24
	Prepaid expenses	**418**	442
	Prepayment of pension liability	**23**	21
	Balances with statutory/government authorities	**1,085**	808
	Deferred contract costs	**43**	85
	Other assets	**28**	-
		2,087	1,380
11	**Investments**		
	Current		
	Investment carried at Fair Value Through Profit and Loss Mutual Funds (unquoted)		
	352,176 (31 March 2020 - 719,529) units in Axis Liquid fund direct plan growth	**805**	1,586
	199,961 (31 March 2020 - 634,512) units in Invesco Liquid Fund - Direct Plan Growth	**565**	1,731
	303,947 (31 March 2020 - 530,290) units in HDFC Liquid Fund Direct Plan Growth Option	**1,229**	2,072
	157,073 (31 March 2020 - 1,545,593) units in IDFC Cash Fund -Regular Plan-Growth Direct Plan	**390**	3,712
	62,425,950 (31 March 2020 - 61,636,075) units in IDFC Low Duration Fund Growth - Direct Plan	**1,914**	1,781
	4,174,107 (31 March 2020 - 6,353,105) units in ICICI Prudential Saving Fund- Direct Plan - Growth	**1,752**	2,480
	982,937 (31 March 2020 - 8,190,760) units in ICICI Prudential Liquid - Regular Plan - Growth Direct Plan	**300**	2,406
	4,078,648 (31 March 2020 - 11,786,425) units in Aditya Birla Sun Life Liquid Fund-Growth - Direct Plan (formerly Aditya Birla Sun Life Cash Plus - Growth Direct Plan)	**1,352**	3,766
	54,285 (31 March 2020 - 860,907) units in Tata Liquid Fund Direct Plan Growth	**176**	2,696
	63,892,180 (31 March 2020 - 52,245,265) units in Kotak Savings Fund-Growth - Direct (formerly Kotak Treasury Advantage Direct Plan Growth)	**2,216**	1,716
	262,488 (31 March 2020 - 728,941) units in HSBC Cash Fund Growth Direct Plan	**538**	1,441
	17,381,382 (31 March 2020 - 19,209,449) units in HDFC Floating Rate Debt Fund - Direct Plan-Growth Plan	**666**	680

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

	31 March 2021	31 March 2020
212,634 (31 March 2020 - 476,169) units in Axis Treasury Advantage Fund - Direct Growth	**528**	1,107
16,841,338 (31 March 2020 - 18,421,946) units in ICICI Prudential Money Market Fund - Direct Plan - Growth	**4,973**	5,145
53,448 (31 March 2020 - 315,355) units in Kotak Liquid Direct Plan Growth	**222**	1,266
"4,639,352 (31 March 2020 - 4,639,520) units in Aditya Birla Sun Life Floating Rate Fund - Growth-Direct Plan"	**1,256**	1,171
1,536,826 (31 March 2020 - 1,277,720) units in Kotak Money Market Scheme - Growth	**5,354**	4,233
65,405,663 (31 March 2020 - 158,573,449) units in IDFC Corporate Bond Fund Direct Plan- Growth	**999**	2,214
214,176 (31 March 2020 - 71,138) units in SBI Magnum Ultra Short Duration Fund Direct Growth	**1,011**	319
263,992 (31 March 2020 - 211,828) units in Invesco India Treasury Advantage Fund - Direct Plan Growth	**806**	606
Nil (31 March 2020 - 1,177,450) units in Aditya Birla Sun Life Savings Fund-Growth - Direct Plan	**-**	472
149,118,726 (31 March 2020 - 210,323,525) units in HDFC Ultra Short Term Fund Direct Growth	**1,780**	2,368
Nil (31 March 2020 - 73,950,674) units in IDFC Ultra Short Term Fund - Direct Plan - Growth	**-**	844
4,107,113 (31 March 2020 - 8,735,114) units in Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan (formerly known as Aditya Birla Sun Life Floating Rate Fund Short Term Plan)	**1,179**	2,367
Nil (31 March 2020 - 294,388) units in Invesco India Money Market Fund - Direct Plan Growth	**-**	681
94,526 (31 March 2020 - 538,486) units in Nippon India Liquidity Fund Direct Plan Growth Plan Growth Option	**476**	2,612
166,181 (31 March 2020 - 526,981) units in SBI Liquid Fund Direct Growth	**535**	1,639
167,585 (31 March 2020 - 167,585) units in DSP Liquidity Fund- Direct Plan Growth	**493**	476
202,068 (31March 2020 - Nil) units in Axis Banking and PSU debt Fund - Direct Growth	**424**	-
817,535 (31 March 2020 - Nil) units in Axis Money Market Fund Direct Growth	**905**	-
4,047,416 (31 March 2020 - Nil) units in Aditya Birla Sun Life Low Duration Fund Growth Direct	**2,234**	-
558,188 (31 March 2020 - Nil) units in HDFC Money Market Fund Direct Plan Growth option	**2,497**	-
1,309,847 (31 March 2020 - Nil) units in ICICI Prudential Over Night Fund - Direct Plan -Growth	**145**	-
21,758,997 (31 March 2020 - Nil) units in IDFC Banking and PSU debt Fund - Direct Plan Growth	**425**	-
17,908,678 (31 March 2020 - Nil) units in IDFC-Money Manager Fund- Growth Direct Plan	**603**	-
374,353 (31 March 2020 - Nil) units in IDFC Cash Fund Growth Plan [Direct Plan]	**931**	-
120,434 (31 March 2020 - Nil) units in Invesco India Corporate Bond Fund - Direct Plan Growth	**315**	-
1,471,806 (31 March 2020 - Nil) units in Nippon India Money Market Fund Direct Plan Growth Plan Growth Option	**4,740**	-
103,564 (31 March 2020 - Nil) units in Tata Money Market Fund Direct Plan Growth	**380**	-
298,644 (31 March 2020 - Nil) units in HDFC Medium Term Opportunities Fund - Regular Plan - Growth	**7**	-
7,121 (31 March 2020– 7,120) units in Birla sun Life Cash Plus - Growth -Direct Plan	**2**	2
1,655,922 (31 March 2020: Nil) units ICICI Prudential Liquid Fund - Growth - Direct	**505**	-
33,918,076 (31 March 2020: Nil) units SBI Savings Fund - Dir Growth	**1,160**	-
	46,788	53,589

Note - The Group holds non-current investments in 10 (31 March 2020 :10) shares of Rs. 10 each of The Kapol Co-operative Bank Limited and 1,530 (31 March 2020 :1,530) shares of Rs. 10 each of The Saraswat Co-operative Bank Limited. Since, these investments are lower than rounding off limit, these are not presented separately.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

		31 March 2021	31 March 2020
12	**Trade receivables (unsecured)**		
	Trade receivables	**34,529**	24,167
	Less: allowance for doubtful receivables	**441**	527
	Considered good	**34,088**	23,640
	Trade receivables	**203**	203
	Less: allowance for doubtful receivables	**203**	203
	Credit impaired	**-**	-
		34,088	23,640
	Trade receivables includes :		
	Dues from related party (refer note 41)	**28,953**	19,899
	Other receivables	**5,135**	3,741

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

		31 March 2021	31 March 2020
13	**Cash and cash equivalents**		
	Cash on hand	**-**	-*
	Balance with banks :		
	In current accounts	**1,007**	623
	In EEFC accounts	**2,201**	742
	In deposit accounts**	**5,899**	12,222
	Remittances in transit	**-**	532
		9,107	14,119

*amount below rounding off norm

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

		31 March 2021	31 March 2020
14	**Bank balances other than cash and cash equivalents**		
	Current		
	Balance with banks :		
	Held as margin money with custom authorities	**1**	2

Deposit accounts include restricted bank balances Rs. 0.69 (31 March 2020 - Rs. 1.57) held as margin money deposit against guarantee and Rs. 0.1 (31 March 2020 - Rs.0.1) held as margin money against Uttar Pradesh VAT.

		31 March 2021	31 March 2020
15	**Loans**		
	Current		
	Unsecured, considered good		
	Loans to related parties (refer note 41)	**-**	6

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

		31 March 2021	31 March 2020
16	**Other financial assets**		
	Current		
	Unsecured, considered doubtful		
	Security deposits	**102**	-
	Less: Provision for doubtful deposits	**102**	-
	Unsecured, considered good		
	Security deposits	**244**	488
	Derivative asset	**183**	-
	Loans and advances to employees	**67**	197
	Interest accrued on fixed deposit	**119**	311
	Unbilled revenue	**1,912**	-
	Export incentives receivable	**-**	493
	Others	**17**	167
		2,542	1,656
17	**Other current assets**		
	Prepaid expenses	**2,870**	1,233
	Balances with Government authorities	**708**	1,464
	Unbilled revenues	**1,951**	5,952
	Advance to vendors	**582**	511
	Deferred contract costs	**21**	-
	Other assets	**8**	21
		6,140	9,181
18	**Equity share capital**		
	Authorised:		
	256,100,000 (31 March 2020 - 256,050,000) equity shares of Rs. 10 each (refer note (i) and(ii) below)	**2,561**	2,561
	50,000,000 (31 March 2020 - Nil) equity shares of Re. 1 each (refer note (iii) below)	**50**	-
	10,800,000 (31 March 2020 - 10,800,000) compulsorily convertible preference shares ('CCPS') of Rs. 10 each	**108**	108
	14,000,000 (31 March 2020 - 14,000,000) 5% 10 year redeemable non-cumulative preference shares of Rs. 10 each	**140**	140
	Issued, subscribed and fully paid up:		
	59,139,500 (31 March 2020 - 59,139,500) equity shares of Rs. 10 each	**591**	591

Notes -

(i) The authorised share capital of the Company has increased to 256,050,000 equity shares of Rs. 10 each from 250,050,000 equity shares of Rs. 10 each, w.e.f 1 April 2019, pursuant to approval of the Scheme of Amalgamation of IGATE Infrastructure Management Services Limited vide order of National Company Law Tribunal, Mumbai bench dated 8 June 2021.

(ii) There is further increase in the authorised share capital of the Company to 256,100,000 equity shares of Rs. 10 each from 256,050,000 equity shares of Rs. 10 each pursuant to approval of the Scheme of Amalgamation of Liquidhub India Private Limited vide order of National Company Law Tribunal, Mumbai bench dated 24 June 2021.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

(iii) The authorised share capital of the Company has a new class of equity shares of 50,000,000 equity shares of Re. 1 each pursuant to approval of the Scheme of Amalgamation of Liquidhub Analytics Private Limited vide order of National Company Law Tribunal, Mumbai bench dated 24 June 2021.

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

	31 March 2021		31 March 2020	
	Number of shares	**Amount**	Number of shares	Amount
Balance as at the beginning of the year	**59,139,500**	**591**	59,139,500	591
Add: Issued during the year	**-**	**-**	-	-
Balance as at the end of the year	**59,139,500**	**591**	59,139,500	591

b. Right, preferences and restrictions attached to equity shares

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

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

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

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

	31 March 2021		31 March 2020	
	Number of shares	**Amount**	Number of shares	Amount
Equity shares of Rs. 10 each, fully paid-up, held by				
Capgemini SE, ultimate parent company	**20,750,621**	**208**	20,750,621	208
Capgemini America Inc., subsidiary of Capgemini North America Inc.	**25,487,362**	**255**	25,487,362	255
Capgemini North America Inc., subsidiary of ultimate parent company	**12,764,378**	**128**	12,764,378	128
Balance as at the end of the year	**59,002,361**	**591**	59,002,361	591

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

	31 March 2021		31 March 2020	
	Number of shares	**% of total shares in the class**	Number of shares	% of total shares in the class
Equity shares of Rs. 10 each, fully paid-up, held by				
Capgemini SE, ultimate parent company	**20,750,621**	**35.09%**	20,750,621	35.09%
Capgemini America Inc., subsidiary of Capgemini North America Inc.	**25,487,362**	**43.10%**	25,487,362	43.10%
Capgemini North America Inc., subsidiary of ultimate parent company	**12,764,378**	**21.58%**	12,764,378	21.58%

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

There were no 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.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

		31 March 2021	31 March 2020
19	**Other equity**		
	Attributable to the equity holders of the parent		
	Reserves and surplus		
	Capital reserve		
	Opening balance	**-**	(187)
	Additions pursuant to business combination (refer note 37 (c))	**(1,708)**	-
	Capital reserve arising on business combination (refer note 37 (c))	**(41,696)**	-
	Debit balance of capital reserve net off with retained earnings as per Ind AS 103	**43,404**	187
		-	-
	Building revaluation reserve		
	Opening balance	**1**	1
		1	1
	Securities premium		
	Opening balance	**836**	836
	Additions pursuant to business combination (refer note 37 (c))	**491**	-
		1,327	836
	Capital redemption reserve		
	Opening balance	**330**	330
	Additions pursuant to business combination (refer note 37 (c))	**3,482**	-
		3,812	330
	General reserve		
	Opening balance	**1,432**	1,432
		1,432	1,432
	Share based payment reserve		
	Opening balance	**730**	409
	Employee stock compensation expense for performance share 2016 plan (refer note 46 (iv))	**-**	308
	Employee stock compensation expense for the year (refer note 46)	**1,172**	13
	Employee stock compensation previously classified as liability awards now classified as equity awards (refer note 46)	**1,281**	-
	Recharge of employee stock compensation expense from the ultimate parent company	**(514)**	-
		2,669	730
	Special Economic Zone re-investment reserve		
	Opening balance	**296**	54
	Utilisation from Special Economic Zone re-investment reserve	**(113)**	(54)
	Transferred to Special Economic Zone re-investment Reserve (includes an amount of Rs 130 for the previous year)	**480**	296
		663	296
	Retained earnings		
	Opening balance	**124,155**	112,073
	Additions pursuant to business combination (refer note 37 (c))	**19,751**	-

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

	31 March 2021	31 March 2020
Debit balance of capital reserve net off with retained earnings as per Ind AS 103	**(43,404)**	(187)
Impact of first - time adoption of Ind AS 116	**-**	56
Recharge of employee stock compensation expense from the ultimate parent company	**(430)**	-
Capital reserve arising on elimination of investment in LHA and LHI (refer 37(a)& 37(b))	**-**	(4,114)
Utilisation from Special Economic Zone re-investment reserve	**113**	54
Transferred to Special Economic Zone re-investment reserve (includes an amount of Rs 130 for the previous year)	**(480)**	(296)
Profit for the year	**16,867**	16,569
	116,572	124,155
Total reserves and surplus	**126,476**	127,780
Items of other comprehensive income		
Effective portion of cash flow hedges		
Opening balance	**(127)**	49
Additions pursuant to business combination (refer note 37 (c))	**(216)**	-
Other comprehensive income for the year	**445**	(176)
	102	(127)
Exchange differences on translation of foreign operations		
Opening balance	**30**	(218)
Other comprehensive income for the year	**(4)**	248
	26	30
Remeasurements of post-employment benefit obligations		
Opening balance	**(3,399)**	15
Other comprehensive income for the year	**2,862**	(3,414)
	(537)	(3,399)
Total of items of other comprehensive income	**(409)**	(3,496)
Total of other equity	**126,067**	124,284

Nature and purpose of reserves

(a) Capital Reserve
Capital reserve represents the profit/(loss) on acquisition / business combination under common control of subsidiary companies. However, in the absence of the capital reserve, consideration in excess of carrying value of the net assets (including the reserves) taken over is adjusted to the retained earnings.

(b) Building revaluation reserve
Building revaluation reserve represents gains arising on the revaluation of land and building on 1 January 1995.

(c) Securities Premium
Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.

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

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

(e) General Reserve

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

(f) Share-based payment reserve

Capgemini SE, the ultimate parent company allocated performance and employment linked shares to certain employees of the Group. The grant of such performance and employment linked shares relate to the share capital of the ultimate parent company and has no impact on the Group's share capital. The Group determines the compensation cost based on grant date fair value method. This amount is recognised in employee benefit expense in the Statement of Profit and Loss on a straight-line basis over the vesting period, with a corresponding adjustment to share based payment reserve. (refer note 46).

(g) Special Economic Zone re-investment reserve

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

(h) Retained earnings

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

(i) Effective portion of cash flow hedges

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

(j) Exchange differences on translation of foreign operations

This reserve represents the exchange differences arising from the translation of financial statements of foreign branches and subsidiaries with functional currency other than Indian rupees to reporting currency.

(k) Remeasurements of post-employment benefit obligations

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

		31 March 2021	31 March 2020
20	**Lease liabilities**		
	Non-current		
	Lease liabilities	**7,189**	7,189
	The break-up of current and non-current lease liabilities as at 31 March 2021 is as follows:		
	Particulars		
	Current lease liabilities	**2,442**	1,687
	Non-current lease liabilities	**7,189**	7,198
	Total	**9,631**	8,885
	The movement in lease liabilities during the year ended 31 March 2021 is as follows:		
	Particulars		
	Lease liabilities at the beginning of the year	**8,885**	8,996
	Additions pursuant to business combination (refer note 37 (c) and (d))	**1,997**	-
	Addition	**1,985**	1,985
	Disposal	**(636)**	(360)
	Interest expense	**843**	660
	Lease payments	**(3,443)**	(2,396)
	Lease liabilities at the end of the year	**9,631**	8,885

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

		31 March 2021	31 March 2020
21	**Other non-current financial liabilities**		
	Deferred purchase consideration	**64**	-
	Amounts payable under share based payment plan	**-**	784
	Bonus and incentives	**4**	4
		68	781
22	**Other non-current liabilities**		
	Others	**124**	-
		124	-
23	**Provisions**		
	Non-current		
	Provision for employee benefits		
	Gratuity (refer note 39(a))	**4,020**	3,188
	Compensated absences (refer note 39(d))	**9**	14
	Pension (refer note 39(b))	**234**	-
	Other defined benefit obligation (refer note 39 (c))	**491**	4,475
	Other provision		
	Provision for site restoration (refer note (a) below)	**52**	-
	Other provisions (refer note (b) below)	**562**	396
		5,368	8,073
(a)	**Movement in provision for site restoration**		
	Balance as at the beginning of the year	**-**	-
	Addition on account of business combination (refer note 37 (c))	**56**	-
	Additions	**2**	-
	Balance as at the end of the year	**58**	-
	Current	**6**	-
	Non Current	**52**	-
		58	-
(b)	**Movement in other provisions**		
	Balance as at the beginning of the year	**396**	396
	Additions	**166**	-
	Balance as at the end of the year	**562**	396
	Current	**-**	-
	Non Current	**562**	396
		562	396

Other provision mainly consists of certain service tax related matters on input services amounting to Rs. 396 (31 March 2020 - Rs. 396).The provision is based on best estimate of the liability, as estimated by the Management and cash outflow if any, will depend on the ultimate outcome of the respective litigation.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

		31 March 2021	31 March 2020
24	**Trade and other payables**		
	Due to micro and small enterprises	**12**	17
	Due to other than micro and small enterprises	**6,465**	5,879
		6,477	5,896
	Trade and other payable includes :		
	Dues to related party (refer note 41)	**3,096**	1,176
	Other payables	**3,381**	4720
25	**Lease liabilities**		
	Current		
	Lease liabilities	**2,442**	1,687
		2,442	1,687
26	**Other financial liabilities**		
	Current		
	Capital creditors and other payables	**289**	652
	Payable for retention money	**107**	414
	Amounts payable under share based payment plan	**-**	497
	Bonus and incentives	**1,929**	1,320
	Employees salaries payable	**1,390**	678
	Derivative liability	**-**	243
	Other financial liabilities	**392**	567
		4,107	4,371
27	**Other current liabilities**		
	Unearned revenue	**473**	310
	Book overdraft	**-**	9
	Statutory dues payable*	**4,287**	3,293
	Advance from customers	**66**	-
	Other current liabilities	**80**	-
		4,906	3,612
	There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
	*Statutory dues payable comprises of -		
	Goods and Service Tax payable	**721**	377
	Tax Deducted at Source payable	**2,803**	2,184
	Provident Fund payable	**574**	705
	Profession Tax payable	**184**	18
	Employees State Insurance payable	**5**	9
		4,287	3,293

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

		31 March 2021	31 March 2020
28	**Provisions**		
	Current		
	Provision for employee benefits	**6,845**	5,214
	Compensated absences (refer note 39(d))	**134**	28
	Gratuity (refer note 39(a))	**20**	-
	Pension (refer note 39(b))	**1,063**	486
	Other defined benefit obligation (refer note 39(c))		
	Other provision	**6**	-
	Provision for site restoration	**31**	-
	Provision for warranty (refer note (a) below)	**8,099**	5,728
(a)	**Movement in provision for warranty**		
	Balance as at the beginning of the year	**-**	-
	Addition on account of business combination (refer note 37 (c))	**27**	-
	Additions	**4**	-
	Balance as at the end of the year	**31**	-
	Current	**31**	-
	Non Current	**-**	-
		31	-
29	**Revenue from operations**		
	Revenue from software operations	**176,400**	151,715
	Revenue from sale of products	**83**	-
		176,483	151,715

Revenue from software operations includes Rs.3,425 (previous year Rs.8,730) towards out of pocket expenses reimbursed by the customers.

Disaggregate revenue information

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

	31 March 2021	31 March 2020
Revenue by contract type :		
Time & material contracts	**166,882**	145,108
Fixed price contracts	**2,243**	4,605
Fixed price maintenance contracts	**7,358**	2,002
Total	**176,483**	151,715
Revenue by geography:		
America	**68,038**	65,173
Europe	**74,517**	61,747
India	**25,388**	17,284
Rest of the world	**8,540**	7,511
Total	**176,483**	151,715

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

	31 March 2021	31 March 2020
Reconciliation of revenue recognized with the contracted price is as follows:		
Contracted price	**176,804**	151,931
less: Discounts	**321**	216
Revenue recognised	**176,483**	151,715

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2021 is Rs 2,456 (31 March 2020 : Rs 3,534). Out of this, the Group expects to recognize revenue of around 97.9% (31 March 2020 : 77.1%) within the next one year and the remaining thereafter.

All other IT consulting contracts are for periods of one year or less or are billed based on time incurred. As permitted under Ind AS 115, the transaction price allocated to these unsatisfied contracts is not disclosed.

The Group has presented contract assets as "unbilled revenues" in other current assets and contract liabilities as "unearned revenues" in other current liabilities in the balance sheet. Contract assets that are no longer contingent, except for the passage of time, are shown under financial assets.

	31 March 2021		31 March 2020	
	Contract assets / Unbilled revenue	**Contract liabilities**	Contract assets / Unbilled revenue	Contract liabilities
Opening balance	**5,952**	**(310)**	5,459	(102)
Addition on account of business combination (refer note 37(c) and 37(d))	**132**	**(74)**	-	-
Revenue recognised during the year	**3,863**	**384**	5,952	102
Invoices raised during the year	**(6,084)**	**(473)**	(5,459)	(310)
Balances as at the end of the year	**3,863**	**(473)**	5,952	(310)

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

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

		31 March 2021	31 March 2020
30	**Other income**		
	Interest on deposits with banks	**587**	1,089
	Other interest (including interest on income tax and service tax refunds)	**13**	150
	Profit on sale of subsidiary (refer note (i) below)	**-**	10
	Income on mutual funds	**2,772**	3,041
	Provisions no longer required written back	**24**	-
	Profit on sale / disposal of assets (net)	**169**	77
	Export incentives	**72**	926
	Other miscellaneous income	**228**	470
	Net gain on foreign currency transactions	**110**	13
		3,975	5,776

(i) On 26 June 2019, the Group sold 3,100 shares of Liquidhub Sp. z.o.o., subsidiary company, to Capgemini Polska Sp. z.o.o. for a consideration of Rs.37.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

		31 March 2021	31 March 2020
31	**Employee benefits expense**		
	Salaries, bonus and incentives	**113,817**	92,097
	Contribution to provident and other funds (refer note 39(c))	**5,185**	4,155
	Retirement benefits expense (refer note 39(a) & 39(b))	**1,836**	1,305
	Compensated absences	**1,603**	1,540
	Employee stock compensation expense (refer note 46)	**1,172**	773
	Staff welfare expenses	**620**	845
		124,233	100,715
32	**Finance costs**		
	Interest on lease obligations	**843**	660
	Interest on Tax	**78**	83
	Unwinding of asset restoration provision	**3**	-
	Other interest	**3**	3
		927	746
33	**Depreciation and amortisation expenses**		
	Depreciation of property, plant and equipment (refer note 3)	**5,092**	4,625
	Depreciation of right-of-use assets (refer note 4)	**2,930**	2,074
	Amortisation of intangible assets (refer note 6)	**344**	200
		8,366	6,899
34	**Other expenses**		
	Sub-contracting expenses	**4,808**	3,283
	Repairs and maintenance:		
	- Buildings	**1,012**	819
	- Computer and network maintenance	**1,347**	668
	- Office maintenance	**1,683**	1,637
	- Others	**80**	105
	Rent	**415**	237
	Rates and taxes (net)	**75**	510
	Insurance	**73**	59
	Power and fuel	**767**	1,195
	Stores and spares	**27**	-
	Advertisement and sales promotion	**75**	84
	Communication	**991**	794
	Travelling and conveyance	**1,908**	8,300
	Legal and professional fees	**843**	806
	Bank charges	**42**	43
	Auditors' remuneration (see note below)	**53**	22
	Merger and reorganization expenses	**32**	14

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

	31 March 2021	31 March 2020
Expenditure towards corporate social responsibility initiatives	**546**	359
Software and hardware expenses	**2,110**	1,894
Provision for doubtful trade receivables written (back)/off	**(178)**	60
Bad trade receivables written off	**319**	66
Provision for doubtful security deposits	**61**	-
Provision for warranty	**5**	-
Group management fee	**1,302**	1,136
Training and recruitment	**1,660**	2,181
Directors sitting fees	**1**	1
Miscellaneous expenses	**734**	663
	20,791	24,936
Note:		
Auditors' remuneration comprises of:		
Statutory audit	**28**	17
Tax audit	**4**	3
Other services	**21**	1
Out of pocket expenses	**-**	1
	53	22

35 Statement of other comprehensive income

(i) Items that will not be reclassified subsequently to Statement of Profit and Loss		
Remeasurements of post-employment benefit obligations (Net)	**3,882**	(4,449)
Income tax relating to above item	**(1,014)**	1,035
(ii) Items that will be reclassified subsequently to Statement of Profit and Loss		
The effective portion of gain / (loss) on hedging instruments accounted for as cash flow hedges	**691**	(271)
Income tax relating to above item	**(241)**	95
Exchange differences on translation of foreign operations	**(4)**	248
	3,314	(3,342)

36 Tax expense

(a) Income tax expense recognised in the Consolidated Statement of Profit and Loss:

1. Current income tax		
Current tax on profits for the year	**7,222**	5,315
Adjustments for current tax of prior periods	**(559)**	2
	6,663	5,317
2. Deferred income tax		
Deferred tax	**3,618**	2,309
Adjustment of deferred tax for prior periods	**(847)**	-
MAT Credit	**(194)**	-
	2,577	2,309
Tax expense for the year	**9,240**	7,626

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

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

	31 March 2021			31 March 2020		
	Before tax	**Tax (expense) / benefit**	**Net of tax**	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified subsequently to Statement of Profit and Loss						
Remeasurements of post-employment benefit obligations (net)	**3,882**	**(1,014)**	**2,868**	(4,449)	1,035	(3,414)
Items that will be reclassified subsequently to Statement of Profit and Loss						
The effective portion of gains / (loss) on hedging instruments accounted for as cash flow hedges	**691**	**(241)**	**450**	(271)	95	(176)
Exchange differences on translation of foreign operations	**(4)**	**-**	**(4)**	248	-	248
	4,569	**(1,255)**	**3,314**	(4,472)	1,130	(3,342)

(c) Reconciliation of effective tax rate

	31 March 2021	31 March 2020
Profit before tax	**26,141**	24,195
Tax using the Group's domestic tax rate (Current year and previous year 34.944%)	**9,135**	8,455
Tax effect of:		
Tax effect due to income tax holidays	**(2,288)**	(1,455)
Expenses not deductible for tax purposes	**130**	225
Effect of change in tax rates	**305**	526
Reversal of DTA on account of change in tax laws	**3,605**	-
Income taxes relating to prior years	**(1,600)**	2
Impact of indexation and lower tax rates on sale of branches / subsidiaries	**-**	(61)
Others	**(47)**	(66)
Total income tax expense	**9,240**	7,626
Effective Tax Rate	**35.35%**	**31.52%**

The Group is eligible to claim income tax holiday on profits derived from the export of software services from divisions registered under Special Economic Zone ("SEZ") 2005 scheme and profits and gains derived from business of developing a Special Economic Zone u/s 80-IAB . Profits derived from the export of software services from the divisions registered under the SEZ scheme are eligible for a 100% tax holiday during the initial five consecutive assessment years, followed by 50% for further five years and 50% of such profits or gains for the balance period of five years subject to fulfilment of certain conditions from the date of commencement of operations by the respective SEZ units. In addition to this, the Group is also eligible to claim income tax holiday on profits and gains derived from business of developing a Special Economic Zone u/s 80-IAB. Profit derived from the business of developing a Special Economic Zone can be claimed as deduction equal to 100% of the profits and gains derived from such business for a period of ten consecutive assessment years. The Group is eligible to claim deductions with respect to the new workmen employed subject to the satisfaction of the conditions prescribed u/s 80JJAA of the Act. The total impact of tax holiday units, developer unit and claim of deduction u/s 80JJAA resulted in a tax benefit of Rs. 2,258 and Rs. 1,455 for current and previous year respectively. The tax holiday will begin to expire from FY 2023-24 through FY 2034-35.

The Special Economic Zone (SEZ) Re-investment Reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Section 10AA(1)(ii) of the Income-tax Act, 1961 (the Act). The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in the terms of Section 10AA(2) of the Income-tax Act, 1961. During the year, a net amount of Rs. 367 was transferred to SEZ Re-investment Reserve net of utilization.

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

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

The Group has made an assessment of the impact of the Ordinance and decided to continue with the existing tax regime till the Group has utilised its accumulated Minimum Alternate Tax (MAT) Credit (except for one of its subsidiaries Solcen India Technologies Limited, which moved to Beneficial Tax Regime). However, in accordance with the accounting standards, the Group has evaluated the deferred tax asset balance as on 31 March 2021 and has reversed an amount of Rs. 308 (31 March 2020: Rs. 526) through the Statement of Profit and Loss and Rs. (481) (31 March 2020: Rs. 481) through other comprehensive income, which pertains to the re-measurement of deferred tax asset that is expected to reverse in the period subsequent to Group migrating to the new tax regime.

The Company along with one of its subsidiaries (Aricent Technologies Holdings Ltd (ATHL)) has recognized deferred tax asset on goodwill during the FY 2016-17. Such deferred tax asset on Goodwill is being amortized in the books in the proportion of the tax depreciation availed on the goodwill in the tax returns.

There were amendments brought into the Act, through the Finance Bill 2021, wherein the definition of “”block of asset”” as per section 2(11) of the Act is amended to exclude “”goodwill of a business or profession”” from the category of intangible assets. Accordingly, goodwill of a business or profession is not eligible for tax depreciation under section 32 of the Act. These amendments are effective retrospectively from 1 April 2020 onwards.

In view of this amendment, the Company and ATHL are no longer eligible for tax depreciation on goodwill and accordingly has reversed during the current year, the deferred tax asset on goodwill amounting to Rs. 3,605 (net of rate change impact) lying in its books of account as of the year ended 31 March 2020.

(d) Income tax assets and liabilities

	31 March 2021	31 March 2020
Income tax assets (net)*	**9,418**	8,064
Income tax liabilities (net)	**2,570**	1,453

* Includes deposits paid under dispute of Rs. 6,900 (31 March 2020 - Rs. 5,090)

(e) Movement in deferred tax balances

	Net balance 1 April 2020	**Business combination**	**Recognised in Statement of Profit and Loss**	**Recognised in OCI**	**MAT utilisation**	**Net balance 31 March 2021**
Deferred tax liability						
Goodwill	**-**	**1,481**	**(254)**	**-**	**-**	**1,227**
Cash flow hedges	**-**	**-**	**31**	**54**	**-**	**85**
Others	**-**	**643**	**(84)**	**-**	**-**	**559**
	-	**2,124**	**(307)**	**54**	**-**	**1,871**
Deferred tax asset						
Cash flow hedges	**67**	**120**	**-**	**(187)**	**-**	**-**
Property, plant and equipment and intangible assets	**3,726**	**104**	**(3,313)**	**-**	**-**	**517**
Provisions - employee benefits	**3,192**	**1,050**	**495**	**(1,014)**	**-**	**3,723**
Provision for doubtful trade receivables	**258**	**-**	**(85)**	**-**	**-**	**173**
Merger expenses	**42**	**-**	**(1)**	**-**	**-**	**41**
MAT Credit carried forward	**5,166**	**1,933**	**(337)**	**-**	**(549)**	**6,213**
Others	**(209)**	**787**	**357**	**-**	**-**	**935**
	12,242	**3,994**	**(2,884)**	**(1,201)**	**(549)**	**11,602**
Deferred tax asset (net)	**12,242**	**1,870**	**(2,577)**	**(1,255)**	**(549)**	**9,731**

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

	Net balance 1 April 2019	Impact on adoption of Ind AS 116	Recognised in Statement of Profit and Loss	Recognised in OCI	MAT utilisation	Net balance 31 March 2020
Deferred tax liability						
Others	141	(60)	135	-	-	216
	141	(60)	135	-	-	216
Deferred tax asset						
Cash flow hedges	(28)	-	-	95	-	67
Property, plant and equipment and intangible assets	5,455	-	(1,729)	-	-	3,726
Provisions - employee benefits	2,443	-	(286)	1,035	-	3,192
Provision for doubtful trade receivables	243	-	15	-	-	258
Merger expenses	158	-	(116)	-	-	42
MAT Credit carried forward	6,742	-	(60)	-	(1,516)	5,166
Others	5	-	2	-	-	7
	15,018	-	(2,174)	1,130	(1,516)	12,458
Deferred tax asset (net)	14,877	60	(2,309)	1,130	(1,516)	12,242

Effective 1st April 2019 the Group started utilising accumulated MAT credit and has utilized an amounts of Rs. 1,080 (net) and Rs. 1,516 for the current and previous year respectively.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. The Group has tax losses (which arose in Singapore jurisdiction) amounting to Rs. 4 as of 31 March 2021 (31 March 2020: Rs.17) that are available for offsetting in the future years against future taxable profits.

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

The Group has not recognized deferred tax liability on undistributed profits amounting to Rs.23,187 as at 31 March 2021 and Rs.2,673 as at 31 Mar 2020 of its subsidiaries as it is able to control the timing of the reversal of temporary differences associated with such undistributed profits and it is probable that such differences will not reverse in the foreseeable future.

Tax losses carried forward

	31 March 2021	31 March 2020
Expire	**-**	-
Never Expire	**4**	17

37 Acquisition of subsidiaries

(a) Liquidhub Analytics Private Limited

On 25 November 2019, CTSIL acquired 100 percent of the equity shares of Liquidhub Analytics Private Limited (LHA), from Capgemini America Inc., a group company of the ultimate parent company for a purchase consideration of Rs. 2,299. LHA was a wholly owned subsidiary of Capgemini America Inc. since 28 February 2018.

Since, LHA was a subsidiary of the ultimate parent company of CTSIL, and as the combining entities are controlled by the same party both before and after the acquisition, the said acquisition is accounted for under the "Pooling of Interest" method as prescribed under Appendix C Ind AS 'Business Combinations' companies under common control.

Under 'Pooling of Interest' method, the assets and liabilities of the combining entities are reflected at their carrying amount. No adjustments are made to reflect fair values or recognise any new assets or liabilities. Further the financial information in the financial statements of the Group in respect of prior period should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements of the Group, irrespective of the actual date of combination.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

However, if business combination had occurred after that date, the prior period information should be restated only from that date. As LHA was part of common control since 28 February 2018, the assets, liabilities and reserves of LHA were merged with the Group at their carrying values as on 1 April 2018 being the beginning of the preceding period in the financial statements.

- all the assets, liabilities and reserves are consolidated in the Group at their respective book values under the respective accounting heads of the Company
- all inter-company balances and transactions were eliminated.

As on 1 April 2018, the difference between the assets and liabilities including reserves of Rs. 78 is credited to capital reserve for comparative purpose in accordance with Ind AS 103 'Business Combinations' for companies under common control. The consideration paid to purchase LHA of Rs. 2,299, on 25 November 2019, is debited to the retained earnings in the financial year 2019-20.

The assets, liabilities and reserves consolidated as at 1 April 2018 are as follows-

Particulars	Amount
Property, plant and equipment (Net)	79
Financial assets	
- Others	19
Deferred tax assets (net)	33
Other non current assets	7
Trade receivables	327
Cash and bank equivalents	369
Income tax assets (net)	40
Other current assets	119
Total assets acquired (A)	**993**
Non-current liabilities	78
Current liabilities	
- Trade payables	104
- Other current liabilities	92
Income tax liabilities (net)	12
Total liabilities acquired (B)	**286**
Net assets acquired (A-B)	**707**
Reserves taken over	
General reserve	15
Retained earnings	604
Other comprehensive reserve	8
Total reserves acquired	**627**
Securities premium	41
Share capital of subsidiary company	37
Capital reserve arising on business combination under common control	**(78)**

(b) Liquidhub India Private Limited

On 28 November 2019, CTSIL acquired 100 percent of the equity shares of Liquidhub India Private Limited (LHI), from Capgemini America Inc., a group company of the ultimate parent company, for a purchase consideration of Rs.1,815. LHI was a wholly owned subsidiary of Capgemini America Inc. since 28 February 2018.

Since, LHI was a subsidiary of the ultimate parent company of CTSIL, and as the combining entities are controlled by the same party both before and after the acquisition, the said acquisition is accounted for under the "Pooling of Interest" method as prescribed under Appendix C Ind AS 103 'Business Combinations' companies under common control.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

Under 'Pooling of Interest' method, the assets and liabilities of the combining entities are reflected at their carrying amount. No adjustments are made to reflect fair values or recognise any new assets or liabilities. Further the financial information in the financial statements of the Group in respect of prior period should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements of the Group, irrespective of the actual date of combination.

However, if business combination had occurred after that date, the prior period information should be restated only from that date. As LHI was part of common control since 28 February 2018, the assets, liabilities and reserves of LHI were merged with the Group at their carrying values as on 1 April 2018 being the beginning of the preceding period in the financial statements.

- all the assets, liabilities and reserves are consolidated in the Group at their respective book values under the respective accounting heads of the Company
- all inter-company balances and transactions were eliminated.

As on 1 April 2018, the difference between the assets and liabilities including reserves of Rs. 0.1 is credited to capital reserve for comparative purpose in accordance with Ind AS 103 'Business Combinations' for companies under common control. The consideration paid to purchase LHI of Rs. 1,815, on 28 November 2019, is debited to the retained earnings in the financial year 2019-20.

The assets, liabilities and reserves consolidated as at 1 April 2018 are as follows-

Particulars	Amount
Property, plant and equipment (Net)	28
Non current financial assets	
- Loans	27
- Others	2
Deferred tax assets (net)	104
Other non current assets	20
Trade receivables	832
Cash and bank equivalents	33
Income tax assets (net)*	-
Other current assets	50
Total assets acquired (A)	**1,096**
Non-current liabilities	5
Current liabilities	
- Trade payables	13
- Other current liabilities	93
Total liabilities acquired (B)	**111**
Net assets acquired (A-B)	**985**
Reserves taken over	
Retained earnings	985
Total reserves acquired	**985**
Cancellation of Share capital of subsidiary company *	-
Capital reserve arising on business combination under common control*	**-**

*amount below rounding off

(c) Aricent Technologies (Holdings) Limited

On 23 November 2020, CTSIL acquired 98.25 percent of the equity shares of Aricent Technologies (Holdings) Limited (ATHL), from Aricent Holdings Mauritius Limited and Aricent Holdings Mauritius India Limited, fellow subsidiaries of CTSIL, for a purchase consideration of Rs.43,018. ATHL was a subsidiary of Capgemini SE. (the ultimate parent company) since 13 March 2020.

Since, ATHL was a subsidiary of the ultimate parent company of CTSIL, and as the combining entities are controlled by the same party both

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

before and after the acquisition, the said acquisition is accounted for under the "Pooling of Interest" method as prescribed under Appendix C of Ind AS 103 'Business Combinations' companies under common control.

Under 'Pooling of Interest' method, the assets and liabilities of the combining entities are reflected at their carrying amount. No adjustments are made to reflect fair values or recognise any new assets or liabilities. Further the financial information in the financial statements of the Group in respect of prior period should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements of the Group, irrespective of the actual date of combination. However, if business combination had occurred after that date, the prior period information should be restated only from that date. In this case, the restatement date would have been 13 March 2020. However, for ease of integration, the assets, liabilities and reserves of ATHL are merged with the Group at their carrying values as on 1 April 2020 as the impact of the transactions during the period 13 March 2020 to 31 March 2020 on the net asset value is Rs 179, which is not considered material.

- all the assets, liabilities and reserves are consolidated in the Group at their respective book values under the respective accounting heads of the Company

- all inter-company balances and transactions were eliminated.

As on 1 April 2020, the difference between purchase consideration and share capital (including securities premium and deemed contribution of parent) of Rs. 41,196 is credited to capital reserve in accordance with Ind AS 103 'Business Combinations' for companies under common control.

The impact of the assets, liabilities and reserves on consolidated balance sheet had the merger been accounted as at 31 March 2020 -

Particulars	Audited CTSIL as on 31 March 2020	Audited ATHL as on 31 March 2020*	Reinstated Balances as on 31 March 2020
Property, plant and equipment	27,241	915	28,156
Right of use assets	9,488	1,917	11,405
Capital work-in-progress	666	4	670
Goodwill	472	7,803	8,275
Other intangible assets	155	579	734
Non current financial assets			
- Loans	398	322	720
- Others	1,382	46	1,428
Deferred tax assets (net)	12,242	1,864	14,106
Other non current assets	1,366	763	2,129
Investments	53,589	-	53,589
Trade receivables	23,640	12,323	35,963
Cash and cash equivalents	14,119	2,289	16,408
Bank balances other than cash and cash equivalents above	2	22	24
Loans	6	-	6
Other financial assets	1,656	2,140	3,796
Other current assets	9,195	564	9,759
Income tax assets (net)	8,064	321	8,385
Total assets acquired	**163,681**	**31,872**	**195,553**
Lease liabilities	8,885	1,966	10,851
Provisions	13,801	3,142	16,943
Other non-current liabilities	788	42	830
Trade payables	5,896	1,564	7,460
Other current liabilities	7,983	1,624	9,607
Income tax liabilities (net)	1,453	-	1,453
Total liabilities acquired	**38,806**	**8,338**	**47,144**
Group's share of reserves acquired			

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

Particulars	Audited CTSIL as on 31 March 2020	Audited ATHL as on 31 March 2020*	Reinstated Balances as on 31 March 2020
Capital redemption reserve	330	3,482	3,812
Building revaluation reserve	1	-	1
Capital reserve	-	(1,708)	(1,708)
Securities premium	836	491	1,327
General reserve	1,432	-	1,432
Share based payment reserve	730	-	730
Special Economic Zone re-investment reserve	296	-	296
Cash flow hedge reserve	(127)	(216)	(343)
Exchange differences on translation of foreign operations	30	-	30
Remeasurements of post- employment benefit obligations	(3,399)	-	(3,399)
Retained earnings	124,155	19,751	143,906
	124,284	**21,800**	**146,084**
Non controlling interests (NCI)			
Shares held by non controlling interest	-	23	23
Share of NCI in reserves of ATHL	-	388	388
	-	**411**	**411**
Calculation of capital reserve			
Share capital of ATHL eliminated against purchase consideration			1,289
Reserves of ATHL eliminated - deemed contribution from parent company			33
			1,322
Purchase consideration			43,018
Capital reserve arising on business combination under common control			**41,696**

(d) Solcen Technologies Private Limited

As per agreement dated 21 October 2020, CTSIL acquired 100 percent of the equity shares of Solcen Technologies Private Limited (Solcen), a company engaged in providing software services and solutions for systems implementation, configuration, and maintenance and implementation services for a total consideration of Rs.563. Out of the total purchase consideration Rs.472 has been paid in the during the year. Balance purchase consideration of Rs 64 will be payable after 18 months from the date of agreement and are subject to conditions of recovery of GST balances from Government and security deposits from the landlords.The Group is in the process of obtaining valuation reports for allocation of purchase price. However, for the purposes of calculating the goodwill on this business combination, the Group has provisionally considered carrying values of net assets acquired at 23 October 2020 as the fair value of net assets.

The purchase price has been provisionally allocated as follows based on the carrying values of assets acquired and liabilities as on 23 October 2020:

Particulars	Amount
Property, plant and equipment	4
Right of use assets	31
Non current financial assets	13
Deferred tax assets (net)	6
Other non current assets*	-
Trade receivables	69
Cash and bank equivalents	44

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

Particulars	Amount
Investments	7
Other current assets	33
Total assets acquired (A)	**207**
Lease liabilities	31
Provisions	50
Liabilities for current tax (net)	14
Other current liabilities	1
Total liabilities acquired (B)	**96**
Net assets acquired (C=A-B)	**111**
Consideration paid during the year	472
Deferred consideration - payable 18 months from the date of acquisition	64
Total purchase consideration (D)	**536**
Provisional goodwill arising on business combination (D-C)	**425**

*below rounding off

38 Amalgamation of wholly owned subsidiaries

(a) TCube Software Solutions Private Limited

On 1 November 2017, the Company acquired 100 percent of the equity shares of TCube Software Solutions Private Limited (Tcube), a company engaged in providing software services and solutions for systems implementation, configuration, and maintenance and implementation services for a total consideration of Rs.519. The Group followed acquisition method of accounting, while preparing the consolidated financial statements upto the previous year. Consequently, difference between consideration paid and net value of assets as on date of acquisition of Rs. 463 was recognised as goodwill in the consolidated financial statements.

The Board of Directors, at their meeting held on 23 February 2018, approved the Scheme of Amalgamation ('the Scheme') of TCube Software Solutions Private Limited (TCube) with the CTSIL. CTSIL filed an application with the National Company Law Tribunal, Mumbai (NCLT) to merge TCube with the Company. NCLT approved the Scheme of Amalgamation on 22 October 2019 effective 1 April 2018 (appointed date). Consequently, the assets, liabilities and reserves of Tcube were merged with the Company at their carrying values as on 1 April 2018.

(b) IGATE Infrastructure Management Services Limited (IIMSL)

The Board of Directors, at their meeting held on 18 July 2016, approved the Scheme of Amalgamation ('the Scheme') of IGATE Infrastructure Management Services Limited (IIMSL) ('transferor company'), wholly owned subsidiary of the Company, with the Company. The Company filed an application with the National Company Law Tribunal, Mumbai (NCLT) to merge IIMSL with the Company. NCLT approved the Scheme of Amalgamation on 8 June 2021 effective 1 April 2017 (appointed date). Consequently, the assets, liabilities and reserves of IIMSL were merged with the Company at their carrying values as on 1 April 2019

In terms of the Scheme of Amalgamation, the whole of the undertaking of IIMSL as a going concern stands transferred to and vested in the Company with effect from the appointed date. IIMSL was engaged in providing comprehensive range of IT support services including system integration, system maintenance and support services which are broadly categorized into Facility Management Services and Maintenance Services.

The Group followed acquisition method of accounting, while preparing the consolidated financial statements upto the previous year. Consequently, difference between consideration paid and net value of assets as on date of acquisition of Rs. 8 was recognised as goodwill in the consolidated financial statements.

(c) Liquidhub Analytics Private Limited and Liquidhub India Private Limited

The Board of Directors, at their meeting held on 23 June 2020, approved the Scheme of Amalgamation ('the Scheme') of Liquidhub Analytics Private Limited and Liquidhub India Private Limited ('transferor companies'), wholly owned subsidiary of the Company, with the Company. The Company filed an application with the National Company Law Tribunal, Mumbai (NCLT) to merge LHA and LHI with the Company. NCLT approved the Scheme of Amalgamation on 24 June 2021 effective 1 April 2020 (appointed date). Consequently, the assets, liabilities and reserves of LHA and LHI were merged with the Company at their carrying values as on 1 April 2020.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

In terms of the Scheme of Amalgamation, the whole of the undertakings of LHA and LHI as a going concern stands transferred to and vested in the Company with effect from the appointed date. LHA and LHI were engaged in providing Information Technology ("IT") and IT - enabled operations, offshore outsourcing solutions.

The Group followed "Pooling of Interest" method as prescribed under Appendex C of Ind AS 103 'Business Combinations' companies under common control upto the previous year. Refer note 37(b) and (b) for further details.

(d) Aricent Technologies Private Limited

During the year, the Aricent Technologies Holding Limited (ATHL) had filed an application for merger of its subsidiary namely Aricent Technologies Private Limited (ATPL) with the ATHL. Pursuant to the Order of Regional Director (NR), New Delhi, passed on 21 December 2020, approving the Scheme of Amalgamation ("the Scheme"), the assets and liabilities of the ATPL have been transferred to and vested in the ATHL with effect from 1 April 2020, the appointed date as per the Scheme.

39 Employee benefit plans

(a) Gratuity benefits

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

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

		31 March 2021	31 March 2020
Present Value of defined benefit obligation			
Projected benefit obligation at the beginning of the year		**7,054**	5,988
Projected benefit obligation assumed on acquisition (refer note 37 (c) and (d))		**1,540**	-
Current service cost		**1,546**	1,174
Past service cost		**3**	-
Interest cost		**524**	396
Benefits paid		**(773)**	(638)
Actuarial (gain) / loss		**(43)**	134
Projected benefit obligation at the end of the year	**(A)**	**9,851**	7,054
Fair Value of plan asset			
Fair Value of plan assets at beginning of the year		**3,838**	3,751
Fair Value of plan assets assumed on acquisition (refer note 37 (c) and (d))		**83**	-
Contributions by employer		**2,256**	450
Expected return		**245**	264
Actuarial gains		**37**	3
Benefits paid		**(762)**	(630)
Fair Value of plan assets at end of the year	**(B)**	**5,697**	3,838
	(A-B)	**4,154**	3,216
Amounts in the Consolidated Balance Sheet			
Liabilities			
Current		**134**	28
Non-current		**4,020**	3,188
Included in OCI			
Opening amount recognised in OCI outside the Consolidated Statement of Profit and Loss		**(467)**	(599)
Actuarial loss/ (gain) arising from:			

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

	31 March 2021	31 March 2020
Demographic assumptions	**81**	(28)
Financial assumptions	**(28)**	342
Experience adjustment	**(94)**	(179)
Return on plan assets excluding interest income	**(37)**	(3)
	(545)	(467)
Expense recognised in the Consolidated Statement of Profit and Loss		
Current service cost	**1,546**	1,174
Past Service cost	**3**	-
Interest cost	**524**	396
Expected return on plan assets	**(244)**	(264)
Total included in "Employee benefit expense" (refer note 31)	**1,829**	1,306

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

	31 March 2021	31 March 2020
Category of Assets	**%**	%
Government debt instruments	**0%**	2%
Other debt instruments	**0%**	0%
Insurer managed funds	**97%**	96%
Others	**3%**	**2%**
The principal assumptions used in determining the gratuity benefit are shown below: -		
Salary escalation rate	**6.65% - 14%**	6% - 7%
Discount rate	**6.25% - 7.02%**	5.65% - 6.85%

The average duration of service of employees in the Group as on 31 March 2021 is in the range 6.62 to 7.90 years

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

Sensitivity analysis

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

(i) As of 31 March 2021, every 0.5 percentage point increase / (decrease) in discount rate will result in (decrease) / increase of gratuity benefit obligation by approximately Rs.(454) and Rs.478 respectively.

As of 31 March 2020, every 0.5 percentage point increase / (decrease) in discount rate will result in (decrease) / increase of gratuity benefit obligation by approximately Rs. (247) and Rs. 264 respectively.

(ii) As of 31 March 2021 every 0.5 percentage point increase/ (decrease) in expected rate of salary will result in increase / (decrease) of gratuity benefit obligation by approximately Rs.475 and Rs.(449) respectively.

As of 31 March 2020 every 0.5 percentage point increase/ (decrease) in expected rate of salary will result in increase / (decrease) of gratuity benefit obligation by approximately Rs. 260 and Rs. (247) respectively.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

	31 March 2021
Expected benefit payments are as follows:	
Year ending 31 March	
2022	**1,099**
2023 - 2026	**4,326**
Thereafter	**11,755**

(b) Pension benefits

(i) Pension - CTSIL

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

		31 March 2021	31 March 2020
Present Value of defined benefit obligation			
Projected benefit obligation at the beginning of the year		**23**	19
Current service cost		**1**	1
Interest cost		**1**	1
Actuarial losses / gain		**(1)**	2
Projected benefit obligation at the end of the year	**(A)**	**24**	23
Fair Value of plan assets			
Fair Value of plan assets at beginning of the year		**54**	51
Expected return		**4**	3
Contributions by the Company		**1**	-
Fair Value of plan assets at end of the year	**(B)**	**59**	54
Amount not recognised as an asset (limit in para 64(b))	**(C)**	**12**	10
	(A-B+C)	**(23)**	(21)
Amount recognised in the Consolidated Balance Sheet			
Assets			
Current		**-**	-
Non-current		**23**	21
Opening value of asset ceiling		**10**	11
Interest on opening balance of asset ceiling		**1**	-
Remeasurements due to:			
Change in surplus/ deficit		**1**	(1)
Closing value of asset ceiling		**12**	10
Included in OCI			
Opening amount recognised in OCI outside the Consolidated Statement of Profit and Loss		**(8)**	(9)
Remeasurement loss / (gain):			
Adjustments to recognise the effect of asset ceiling		**-**	(1)
Financial assumptions		**-**	1
Experience adjustment		**(1)**	1
		(9)	(8)

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

	31 March 2021	31 March 2020
Expense recognised in the Consolidated Statement of Profit and Loss		
Current Service Cost	**1**	1
Interest cost	**1**	1
Expected return on plan assets	**-**	(3)
Total included in "Employee benefits expense" (refer note 31)	**2**	(1)
Category of Assets	**%**	%
Insurer Managed Funds	**100%**	100%
The Company provides the pension benefit through contributions to a fund managed by a trust.		
The principal assumptions used in determining pension are shown below:		
Discount rate (p.a)	**6.40% p.a.**	6.35% p.a.
Salary escalation rate	**7%**	7%

(i) Discount Rate:

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

(ii) Salary Escalation Rate:

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

(iii) Expected contributions to the fund post 31 March 2021is Rs. 0.7

	31 March 2021
Year ending March 31	
2022*	**-**
2023	**3**
2024*	**-**
2025*	**-**
2026	**-**
thereafter	**31**
*below rounding off	

(ii) Pension - ATHL

ATHL maintains a defined benefit pension plan in respect of employees transferred from Lucent Technologies GmbH ('Lucent') in terms of an agreement executed on 18 February 2003 whereby certain pension benefit obligations were transferred to the ATHL.

	31 March 2021	31 March 2020
Present Value of defined benefit obligation		
Projected benefit obligation at the beginning of the year	**-**	-
Projected benefit obligation acquired on business combination (refer note 37(c))	**236**	-
Current service cost	**2**	-
Interest cost	**3**	-
Exchange gain	**8**	-
Actuarial losses / gain	**8**	-
Benefits paid	**(3)**	-
Projected benefit obligation at the end of the year	**254**	

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

	31 March 2021	31 March 2020
Amount recognised in the Consolidated Balance Sheet		
Liability		-
Current	**20**	-
Non-current	**234**	
Expense recognised in the Consolidated Statement of Profit and Loss		-
Current Service Cost	**2**	-
Interest cost	**3**	-
Total included in "Employee benefits expense" (refer note 31)	**5**	
Included in OCI		
Changes on account of Financial assumptions	**8**	-
	8	-

(c) Provident fund

(i) Defined Contribution Plan

In respect of the defined contribution plan as explained in accounting policy 2.14 (ii)(b), the Group has contributed Rs. 945 for the year (31 March 2020: Rs. 411). These contributions are charged to the Statement of Profit and Loss as they accrue.

(ii) Defined Benefit Plan

In respect of the defined benefit plan as explained in accounting policy 2.14 (ii)(a), the following tables set forth the movement in plan.

		31 March 2021	31 March 2020
Present value of defined benefit obligation			
Projected benefit obligation at the beginning of the year		**40,225**	32,101
Projected benefit obligation assumed on acquisition		**7,258**	-
Current service cost		**2,391**	2,316
Interest cost		**3,026**	2,364
Actuarial (gain)/ losses		**(149)**	2,126
Employees contribution		**3,832**	3,497
Liabilities transferred in / (out)		**1,377**	(429)
Benefits paid		**(6,827)**	(1,750)
Projected benefit obligation at the end of the year	**(A)**	**51,133**	40,225
Fair value of plan assets			
Fair value of plan assets at beginning of the year		**35,264**	31,498
Fair Value of plan assets assumed on acquisition		**6,681**	-
Expected return		**3,344**	2,323
Remeasurements due to :			
Actual return on plan assets less interest on plan assets		**438**	1,442
Movement arising on account of asset diminution		**2,587**	(3,633)
Employer contribution during the year		**2,883**	2,316
Employee contribution during the year		**3,832**	3,497
Assets transferred in / (out)		**1,377**	(429)
Benefits paid		**(6,827)**	(1,750)
Fair Value of plan assets at end of the year	**(B)**	**49,579**	35,264
Amount recognised in Consolidated Balance Sheet	**(A-B)**	**1,554**	4,961

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

	31 March 2021	31 March 2020
Amounts in the Consolidated Balance Sheet:		
Liabilities		
Current	**1,063**	486
Non-current	**491**	4,475
Expense recognised in the Consolidated Statement of Profit and Loss		
Current service cost	**2,391**	2,316
Interest cost	**2,575**	2,364
Expected return on plan assets	**(2,240)**	(2,323)
Total included in "Employee benefits expense" (refer note 31)	**2,726**	2,357
Amounts included in OCI		
Opening amount recognised in OCI outside the Statement of Profit and Loss	**4,920**	603
Actuarial loss/ (gain) arising from:		
Financial assumptions	**(906)**	769
Experience adjustment	**756**	1,357
Actual return on plan assets less interest on plan assets plus shortfall on asset diminution	**(3,679)**	2,191
Closing amount recognised in OCI outside the Statement of Profit and Loss	**1,091**	4,920
Plan Asset Category		
Government securities	**61%**	59%
Corporate bonds	**31%**	31%
Equity linked mutual funds	**2%**	6%
Bank balance	**4%**	0%
Others	**1%**	4%
	100%	100%

The Group provides the provident fund benefit through monthly employer and employee contributions to a fund managed by a trust.

	31 March 2021	31 March 2020
The principal assumptions used in determining the defined benefit obligation are as follows:		
Discount rate	**6.30% to 6.40%**	6.35%
Expected rate of return on plan assets	**7.90% - 9.10%**	7.90% - 7.94%
Discount rate for the remaining term to maturity of investment	**6.55% - 6.80%**	6.55% - 6.65%
Average historic yield on the investment	**8.40% - 9.25%**	8.14% - 8.20%
Guaranteed rate of return	**8.50%**	8.50%
The average duration of service of employees in the Group as on 31 March 2021 is in the range 6.62 to 7.90 years		

Sensitivity analysis

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

As of March 31, 2021, every 1 percentage point of an increase / (decrease) in the difference between the rate earned and the RPFC guaranteed rate will result in increase / (decrease) of provident fund defined benefit obligation by approximately Rs. 1,406 and Rs. (583) respectively.

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

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

Surrender of Employee Provident Fund trust

The Group filed an application post 31 March 2021 for surrender of exemption granted from the EPF Scheme, 1952 w.e.f. 1 July 2021 for its three EPF trust i.e., Capgemini India Pvt. Ltd. Employees' Provident Fund, Capgemini Business Services (I) Ltd EPF Trust and Aricent Employees Provident Fund Trust. The surrender application was filed with Regional Provident Fund Commissioner (RPFC) Pune, Bengaluru and Delhi respectively.

RPFC Pune, Bengaluru and Delhi vide letter dated 21 June 2021, 29 June 2021 and 15 June 2021 respectively have granted permission to both the trust to comply as an un-exempted trust from 1 July 2021 subject to compliance with procedural requirements stated therein.

These trusts are in the process of surrendering the exemption to the RPFC. The surrender will be accounted as a plan settlement on 1 July 2021 in accordance with INDAS 19. Thereafter, the PF plan will be accounted as Defined contribution plan.

(iii) The Group contributed Rs. 1,514 (31 March 2020 Rs. 1,387) to the Central Government towards pension, as required by the PF Rules.

(d) Compensated absences:

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

	31 March 2021	31 March 2020
Current provisions (refer note 28)	**6,845**	5,214
Non-current provisions (refer note 23)	**9**	14
	6,854	5,228
Actuarial assumptions		
Discount rate	**6.25% to 7.02%**	5.65% - 6.85%
Salary escalation rate	**6.65% to 14%**	6% - 7%

40 Segment reporting

(i) The Group's operations predominantly relate to providing Information Technology ('IT') services, IT Enabled services, software product development services, software consulting services and business process outsourcing services delivered to customers globally through an onsite / offshore model. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group considers all of these services to be relating to one segment i.e. IT enabled services. The Group has evaluated its service offerings and has concluded that the risks and rewards of all these services are identical. Accordingly, the Board of Directors and the Chief Executive Officer who have been identified as the chief operating decision maker of the Company, review the performance of the Company as one reportable business segment i.e. IT and IT- enabled operations, solutions and services.

(ii) Geographical Segments: The Group's geographical segment is based on the location of customers. Revenue in relation to geographic areas 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.

	31 March 2021	31 March 2020
(a) Revenue		
- India	**25,388**	17,284
- Europe	**74,517**	61,747
- America	**68,038**	65,173
- Rest of the world	**8,540**	7,511
	176,483	151,715

Note: Revenue of Rs. 60,059 (March 31, 2020 - Rs.58,894) is derived from a single customer. This revenue is attributed to America Segment.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

		31 March 2021	31 March 2020
(b)	**Segment assets**		
	Trade receivables (excluding allowance for doubtful receivables)		
	- India	**4,867**	3,621
	- Europe	**14,187**	9,692
	- America	**12,902**	8,990
	- Rest of the world	**2,776**	2,067
		34,732	24,370
	Unbilled revenue		
	- India	**2,193**	1,813
	- Europe	**229**	1,793
	- America	**1,439**	1,979
	- Rest of the world	**2**	367
		3,863	5,952

The total of non-current assets (other than certain financial instruments, deferred tax assets and income tax assets) of Rs. 48,598 (31 March 2020: Rs. 39,402) are mainly located in the Group entity's country of domicile i.e., India.

		31 March 2021	31 March 2020
(c)	**Segment liabilities**		
	Unearned revenue		
	- India	**213**	113
	- Europe	**159**	76
	- America	**72**	83
	- Rest of the world	**29**	38
		473	310

41 Related party disclosures

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

Names of related parties and related party relationship

Related parties where control exists

Parent companies

Capgemini SE, the Ultimate Parent Company

Pan-Asia Solutions, Mauritius, subsidiary of Capgemini America, Inc. (till 4 April 2019)

Capgemini North America, Inc., a subsidiary of the ultimate parent company

Entity having significant influence over the Company

Capgemini America, Inc., subsidiary of Capgemini North America, Inc.

Other related parties

Key Management Personnel
Srinivasa Rao Kandula - Wholetime Director and Chairman
Ashwin Yardi - Wholetime Director and Chief Executive Officer
Sujit Sircar - Chief Financial Officer
Aruna Jayanthi - Wholetime Director
Ritesh Talapatra - Executive Director (till 4 February 2020)
Karine Marchat - Director (till 4 February 2020)
Paul Hermelin - Non- executive director
Hubert Paul Henri Giraud - Non- executive director
Thierry Delaporte - Non- executive director (till 05 May 2020)
Armin Billimoria - Company Secretary
Arul Kumaran Paramanandam - Chief Operating Officer

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

Antoine Imbert - Chief Operating Officer
Aiman Ezzat - Non Executive Director (w.e.f. 19 January 2021)
Kalpana Rao - Independent director
Ramaswamy Rajaraman - Independent director

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

Fellow subsidiaries
Altran Technologies India Pvt. Ltd. (with effect from 1 April 2020)
Altran Technologies S.A.S. (with effect from 1 April 2020)
Aricent Holdings Mauritius India Limited (with effect from 1 April 2020)
Aricent Holdings Mauritius Limited (with effect from 1 April 2020)
Aricent Technologies Mauritius Ltd. (with effect from 1 April 2020)
Altran Technologies Australia Pvt Ltd (formerly known as Aricent Technologies Australia Pvt Ltd) (with effect from 1 April 2020)
Octavia Holdco (with effect from 1 April 2020)
Altran Technologies S.A. (with effect from 1 April 2020)
Altran ACT, France (with effect from 1 April 2020)
Altran UK (with effect from 1 April 2020)
Altran Sverige (with effect from 1 April 2020)
Lohika Systems Inc (with effect from 1 April 2020)
Altran US Corp (with effect from 1 April 2020)
Aricent US Inc. (with effect from 1 April 2020)
Aricent Mauritius Engineering Services PCC (with effect from 1 April 2020)
Aricent N.A. Inc. (with effect from 1 April 2020)
Altran Deutschland S.A.S & Co. KG (with effect from 1 April 2020)
Altran Technologies India Pvt. Ltd (with effect from 1 April 2020)
Aricent Technologies Malaysia SDN BHD (with effect from 1 April 2020)
Frog Business Consultancy (Shanghai) Company Limited. (with effect from 1 April 2020)
frog Design BV (with effect from 1 April 2020)
frog Design Company Uk Ltd (with effect from 1 April 2020)
frog Design Srl (with effect from 1 April 2020)
frog Design, Inc. (with effect from 1 April 2020)
Aricent Technologies UK Limited (with effect from 1 April 2020)
Aricent Technologies US Inc. (with effect from 1 April 2020)
Altran Software US Inc. (formerly known as Aricent Software US Inc.) (with effect from 1 April 2020)
Aricent Holdings Luxembourg S.a.r.l. (with effect from 1 April 2020)
Aricent Technologies Sweden AB (with effect from 1 April 2020)
Aricent Vietnam Company Ltd. (with effect from 1 April 2020)
Aricent Poland Sps Z.O.O (with effect from 1 April 2020)
Frog Industrial Design (Shanghai) Company Limited (with effect from 1 April 2020)
Frog Design Europe GmbH (with effect from 1 April 2020)
Aricent Belgium SPRL (with effect from 1 April 2020)
Aricent Japan Limited (with effect from 1 April 2020)
Altran Israel Ltd. (Formerly known as Aricent Israel Ltd.) (with effect from 1 April 2020)
Aricent Ireland Private Ltd. (with effect from 1 April 2020)
Aricent Spain S.L.U., Spain (with effect from 1 April 2020)

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

Altran Italia (with effect from 1 April 2020)
Altran Netherlands (with effect from 1 April 2020)
Altran Canada Solutions (Corp) (with effect from 1 April 2020)
Altran Connected Solutions (with effect from 1 April 2020)
Altran Engineering Solutions Inc (with effect from 1 April 2020)
Global Edge Software (with effect from 1 April 2020)
Aricent Technologies (Cayman) (with effect from 1 April 2020)
Altran Solutions De Mexico (with effect from 1 April 2020)
Information Risk Management (with effect from 1 April 2020)
Altran Portugal (with effect from 1 April 2020)
Capgemini (China) Co., Ltd.
Capgemini (Hangzhou) Co Ltd
Capgemini Argentina, S.A.
Capgemini Asia Pacific Pte Ltd. - Taiwan Branch
Capgemini Australia (New Zealand Branch)
Capgemini Australia Pty Ltd.
Capgemini BAS BV
Capgemini Belgium NV/S.A.
Capgemini Brasil S.A. (formerly CPM Braxis S.A.)
Capgemini Business Services (China) Ltd.
Capgemini Business Services B.V.
Capgemini Business Services Brasil - Assessoria Empresarial Ltda.
Capgemini Canada Inc.
Capgemini Consulting Österreich AG
Capgemini Consulting S.A.S.
Capgemini Czech Republic s.r.o.
Capgemini Danmark A/S
Capgemini DEMS France SAS (formerly known as Sogeti High Tech S.A.S.)
Capgemini Deutschland GmbH
Capgemini Deutschland Holding GmbH
Capgemini Educational Services B.V.
Capgemini España S.L.
Capgemini Finland Oy
Capgemini France S.A.S.
Capgemini Government Solutions LLC
Capgemini Hong Kong Ltd.
Capgemini Ireland Limited
Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited)
Capgemini Italia S.p.A.
Capgemini Japan K.K.
Capgemini Magyarorszag Kft.
Capgemini Mexico S. de R.L. de C.V.
Capgemini Middle East FZ-LLC (till 5 December 2017)
Capgemini Nederland B.V.
Capgemini Norge AS
Capgemini Outsourcing Services GmbH
Capgemini Philippines Corp.
Capgemini Polska Sp. z.o.o.
Capgemini Portugal, Serviços de Consultoria e Informàtica, S.A.
Capgemini Saudi Ltd.
Capgemini Service S.A.S.
Capgemini Services Malaysia Sdn. Bhd.
Capgemini Services Romania s.r.l.
Capgemini Singapore Pte Ltd. - Abu Dhabi Branch
Capgemini Singapore Pte Ltd. - Dubaï Branch
Capgemini Singapore Pte. Ltd.
Capgemini Slovensko s.r.o.
Capgemini Solutions Canada Inc.
Capgemini Suisse S.A.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

Capgemini Sverige AB
Capgemini Technologies LLC
Capgemini Technology Services S.A.S.
Capgemini UK plc
Capgemini UK Plc – South Africa Branch
Capgemini Vietnam Co., Ltd.
CHCS Services Inc. – India Branch
CHCS Services, Inc.
CPM BRAXIS S.A.
Idean Enterprises Inc. (has been liquidated in June 2019; merged with Capgemini America Inc w.e.f. 3 January 2020)
Idean Enterprise Oy (merged with CG Finland OY as on 01 July 2020)
IGATE Computer Systems (Suzhou) Co., Ltd.(merged with Capgemini (China) Co. Ltd. w.e.f 05 July 2019)
Inergi Inc.
Inergi LP
Interactive Thinking S.R.L.
Itelios SAS (TUPE (similar to a merger) into CG Technology Services SAS effective 1st July, 2020)
New Horizons Systems Solutions Inc
ODIGO SAS
Prosodie S.A.S.
RADI Software Do Brasil Ltda.
Societe en Commandite Capgemini Quebec Limited Partnership
Sogeti Deutschland GmbH
Sogeti Deutschland GmbH
Sogeti Finland Oy (merger into CG Finland Oy effective 1st Aug, 2020)
Sogeti Luxembourg S.A.
Sogeti Nederland B.V.
Sogeti Sverige AB
Sogeti UK Limited

Related party transactions

		31 March 2021	31 March 2020
a)	**Revenues from operations**		
	Capgemini America, Inc.	**60,059**	58,894
	Altran ACT	**14,660**	**-**
	Capgemini UK Plc	**14,378**	14,311
	Others	**56,828**	57,302
b)	**Expense incurred by the Company on behalf of***		
	Capgemini Ireland Limited	**78**	58
	Aricent US Inc.	**20**	-
	Capgemini Australia Pty. Ltd.	**1**	34
	Others	**85**	16
	* it includes expense in the nature of sub-contracting expense, travelling and conveyance and others		
c)	**Expenses cross charged***		
	Capgemini Service S.A.S.	**2,495**	2,319
	Capgemini America Inc	**901**	1,315
	Capgemini SE	**1,459**	890
	Others	**2,736**	1,194
	* it includes expense in the nature of software and hardware expense, training and recruitment, sub-contracting expenses, group management fees and other		

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

		31 March 2021	31 March 2020
d)	**Other income**		
	Altran Technologies India Pvt. Ltd.	**17**	-
	Aricent Holdings Luxembourg S.a.r.l.	**12**	-
e)	**Interest on loan given**		
	Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited)	**10**	6
f)	**Sale of contracts/ business**		
	Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited)	**-**	117
	Others	**-**	10
g)	**Company's Contribution to employee benefit funds**		
	Capgemini India Employees Gratuity Fund Trust	**1,326**	420
	Capgemini Business Services (India) Limited Employees Group Gratuity Assurance Scheme	**131**	30
	Capgemini India Pvt. Ltd. Employees' Provident Fund	**2,341**	2,145
	Capgemini Business Services (I) Ltd EPF Trust	**211**	171
	Capgemini India Employees Gratuity Fund. (formerly IGATE Computer Systems Limited Employees' Gratuity Fund)	**696**	-
	Aricent Technologies Gratuity Trust	**100**	-
	Aricent Employees Provident Fund Trust	**330**	-
h)	**Key management personnel compensation**		
	Short-term employee benefits	**155**	156
	Post-employment benefits	**5**	7
	Employee share-based payment	**172**	98
	Director sitting fees	**1**	1
i)	**Repayment of loan**		
	Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited)	**155**	-
j)	**Purchase of investments**		
	Aricent Holdings Mauritius Limited	**35,183**	-
	Aricent Holdings Mauritius India Limited	**7,835**	-
	Capgemini America Inc.	**-**	4,114
Balances outstanding			
a)	**Trade receivables**		
	Capgemini America, Inc.	**10,916**	8,149
	Altran ACT	**4,845**	-
	Others	**13,192**	11,750

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)*

(Currency : INR in million)

		31 March 2021	31 March 2020
b)	**Other non-current financial assets - loans**		
	Capgemini North America, Inc.	**225**	243
	Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited)	**-**	155
c)	**Unbilled revenue**		
	Capgemini America, Inc.	**1,138**	1,816
	Capgemini UK PLC	**-**	526
	Capgemini Australia Pty. Ltd.	**-**	288
	Capgemini Ireland Limited	**134**	39
	Others	**108**	1,367
d)	**Unearned revenue**		
	Capgemini Technology Services S.A.S.	**38**	66
	Capgemini America, Inc.	**26**	43
	Capgemini Service S.A.S.	**22**	-
	Altran Software US	**22**	-
	Altran Act	**37**	-
	Others	**53**	7
e)	**Other current financial assets - loans**		
	Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited)	**-**	6
f)	**Other current financial assets**		
	Other receivable from Capgemini America, Inc.	**-**	164
g)	**Other current assets**		
	Capgemini America, Inc.	**-**	156
	Capgemini India Employees Gratuity Fund Trust	**8**	1
h)	**Trade and other payables**		
	Capgemini Technology Services SAS	**112**	133
	Capgemini Service S.A.S.	**1,481**	540
	Capgemini America, Inc.	**72**	236
	Others	**1,431**	267
i)	**Amounts payable under share based payment plan**		
	Capgemini SE	**-**	1,281
j)	**Other current assets - prepaid expenses**		
	Capgemini Service S.A.S.	**1,023**	191

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

		31 March 2021	31 March 2020
l)	**Other financial liabilities**		
	Capgemini IT Solutions India Pvt. Ltd.	**2**	-
	Capgemini UK PLC	**-**	191
	Others	**-**	21
m)	**Non current provisions - other defined benefit obligation**		
	Capgemini India Pvt. Ltd. Employees' Provident Fund	**467**	4,153
	Capgemini Business Services (I) Ltd EPF Trust	**24**	322
n)	**Current provisions - other defined benefit obligation**		
	Capgemini India Pvt. Ltd. Employees' Provident Fund	**796**	429
	Capgemini Business Services (I) Ltd EPF Trust	**118**	57
	Aricent Employees Provident Fund Trust	**149**	-

The Company has the following related party transactions and balances outstanding for the year ended 31 March 2021 and 31 March 2020

Transactions	Parent companies		Entity having significant influence over the Company		Fellow subsidiaries		Key Management Personnel		Employee benefit trusts of the Company or of entity related to the Company	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020
Revenues from operations	**78**	85	**60,059**	58,894	**85,788**	71,528	**-**	-	**-**	-
Expense incurred by the Company on behalf of	**-**	1	**4**	-	**180**	107	**-**	-	**-**	-
Expenses cross charged	**1,459**	890	**901**	1,315	**5,231**	3,513	**-**	-	**-**	-
Other income	**-**	-	**-**	-	**29**	-	**-**	-	**-**	-
Interest on loan given	**-**	-	**-**	-	**10**	6	**-**	-	**-**	-
Company's Contribution to employee benefit funds	**-**	-	**-**	-	**-**	-	**-**	-	**5,135**	2,766
Sale of contracts/ business	**-**	-	**-**	-	**-**	127	**-**	-	**-**	-
Key managerial personnel			**-**	-	**-**	-			**-**	
- Remuneration	**-**	-	**-**	-	**-**	-	**160**	163	**-**	-
- Employee stock compensation expense	**-**	-	**-**	-	**-**	-	**172**	98	**-**	-
- Director sitting fees	**-**	-	**-**	-	**-**	-	**1**	1	**-**	-
Repayment of loan	**-**	-	**-**	-	**155**	-	**-**	-	**-**	-
Consideration paid for purchase of subsidiaries	**-**	-	**-**	4,114	**43,018**	-	**-**	-	**-**	-

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

The Group has the following related party balances for the year ended 31 March 2021 and 31 March 2020

Balances outstanding	Parent companies		Entity having significant influence over the Company		Fellow subsidiaries		Key Management Personnel		Employee benefit trusts of the Company or of entity related to the Company	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020
Trade receivables	**13**	7	**10,916**	8,149	**18,024**	11,743	**-**	-	**-**	-
Other non current financials assets - loans	**225**	243	**-**	-	**-**	155	**-**	-	**-**	-
Unbilled revenue	**-**	2	**1,138**	1,816	**242**	2,217	**-**	-	**-**	-
Unearned revenue	**-**	43	**26**	-	**172**	73	**-**	-	**-**	-
Other current financial assets - loans	**-**	-	**-**	-	**-**	6	**-**	-	**-**	-
Other current financial assets	**-**	164	**-**	-	**-**	-	**-**	-	**-**	-
Other current assets	**-**	-	**-**	156	**-**	-	**-**	-	**8**	1
Trade and other payables	**117**	339	**72**	236	**2,907**	602	**-**	-	**-**	-
Amounts payable under share based payment plan	**-**	1,281	**-**	-	**-**	-	**-**	-	**-**	-
Other financial liabilities	**-**	-	**-**	-	**2**	212	**-**	-	**-**	-
Other current assets - prepaid expenses	**-**	-	**-**	-	**1,023**	191	**-**	-	**-**	-
Non current provisions - other defined benefit obligation	**-**	-	**-**	-	**-**	-	**-**	-	**491**	4,475
Current provisions - other defined benefit obligation	**-**	-	**-**	-	**-**	-	**-**	-	**1,063**	486

All outstanding balances are unsecured and will be settled in cash. 'Provisions - other defined benefit obligation' is provided based on actuarial valuation.

42 Earnings per share (EPS)

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

		31 March 2021	31 March 2020
(A)	Profit attributable to equity shareholders	**16,867**	16,569
(B)	Weighted average number of equity shares in calculating basic EPS (nos.)	**59,139,500**	59,139,500
(C)	Weighted average number of equity shares in calculating diluted EPS (nos.)	**59,139,500**	59,139,500
	Basic earning per share of face value of Rs.10/- each (A/B)	**285.21**	280.17
	Diluted earning per share of face value of Rs.10/- each (A/C)	**285.21**	280.17

43 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

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

Level 1 : Unadjusted quoted prices in active market for identical assets or liabilities. The mutual funds are valued using the closing NAV.

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

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

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

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

31 March 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	9,107	9,107	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	1	1	-	-	-	-
Current investments	46,788	-	-	46,788	46,788	-	-	46,788
Loans	-	-	225	225	-	-	-	-
Trade receivables	-	-	34,088	34,088	-	-	-	-
Other non-current financial assets	-	-	1,826	1,826	-	-	-	-
Other current financial assets	23	159	2,360	2,542	-	182	-	182
	46,811	**159**	**47,607**	**94,577**	**46,788**	**182**	**-**	**46,970**
Financial liabilities								
Other non-current financial liabilities	-	-	68	68	-	-	-	-
Trade and other payables	-	-	6,477	6,477	-	-	-	-
Lease liabilities - current and non-current	-	-	9,631	9,631	-	-	-	-
Other current financial liabilities	-	-	4,107	4,107	-	-	-	-
	-	**-**	**20,283**	**20,283**	**-**	**-**	**-**	**-**

31 March 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	14,119	14,119	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	2	2	-	-	-	-
Current investments	53,589	-	-	53,589	53,589	-	-	53,589
Loans	-	-	404	404	-	-	-	-
Trade receivables	-	-	23,640	23,640	-	-	-	-
Other non-current financial assets	-	-	1,382	1,382	-	-	-	-
Other current financial assets	-	-	1,656	1,656	-	-	-	-
	53,589	**-**	**41,203**	**94,792**	**53,589**	**-**	**-**	**53,589**
Financial liabilities								
Other non-current financial liabilities	-	-	788	788	-	-	-	-
Trade and other payables	-	-	5,896	5,896	-	-	-	-
Lease liabilities - current and non-current	-	-	8,885	8,885				-
Other current financial liabilities	49	194	4,128	4,371	-	243	-	243
	49	**194**	**19,697**	**19,940**	**-**	**243**	**-**	**243**

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

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

During the reporting years ended 31 March 2021 and 31 March 2020, there have been no transfers of financial instruments between Level 1 or Level 2 or Level 3 fair value measurements.

Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of current financial assets / liabilities recognised in the financial statements at amortised value, approximate their fair values due to their short-term nature. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The fair value of long-term security deposit is Rs. 1,826 as at March 31, 2021 and is Rs.1,322 as at March 31, 2020. The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair value of non-current financial liabilities approximates its carrying value.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Credit risk

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

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

Trade and other receivables

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

The Group has trade receivables primarily from intercompanies. On analysis of historic bad debts and ageing of accounts of these receivables, the Group does not foresee any credit risk.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. Out of the total trade and other receivables of Rs. 34,732 and Rs. 24,370 as of 31 March 2021 and 31 March 2020 respectively, the Group has receivables which are past due and impaired as detailed below -

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

	31 March 2021	31 March 2020
Balance at the beginning of the year	**730**	670
Additions pursuant to business combination (refer note 37 (c) and (d))	**178**	-
Impairment loss recognised	**-**	60
Impairment provision written back	**(178)**	-
Impairment provision utilised for write off	**(86)**	-
Balance at the end of the year	**644**	730

Others

Credit risk of the Group on cash and cash equivalents and investments is subject to low credit risk since the investments of the Group are only in liquid debt securities with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Counter parties to foreign currency forward contracts are typically multinational with appropriate market reputation.

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group also has sufficient overdraft credit facilities with financial institutions to meet any liquidity requirements.

The Group consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

		Contractual cash flows		
31 March 2021	**Carrying amount**	**Within one year**	**One year but not more than five years**	**More than five years**
Lease liabilities	9,631	2,848	7,228	1,325
Other non-current financial liabilities	68	-	68	-
Current financial liabilities	4,107	4,107	-	-
Trade and other payables	6,477	6,477	-	-

		Contractual cash flows		
31 March 2020	**Carrying amount**	**Within one year**	**One year but not more than five years**	**More than five years**
Lease liabilities	8,885	2,302	6,426	2,608
Other non-current financial liabilities	788	-	788	-
Current financial liabilities	4,371	4,371	-	-
Trade and other payables	5,896	5,896	-	-

iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk and market value of its investments. The exposure to market risk is a function of investing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

The currency profile of financial assets and financial liabilities as at 31 March 2021 and 31 March 2020 is as below:

Unhedged foreign currency exposures as on 31 March 2021

Particulars	Cash and cash equivalents	Trade receivables*	Trade Payables	Other financial liabilities	Other financial assets
USD	2,137	1,888	600	284	310
EUR	135	361	1,967	210	27
SGD	-	6	42	-	-
JPY	-	15	18	-	-
GBP	-	57	94	-	-
CAD	56	54	15	3	-
AUD	-	1	15	-	-
CHF	-	0	-	-	-
SEK	-	3	4	-	-
CNY	-	0	1	-	-
AED	-	-	-	-	-
PLN	-	-	2	-	-
DKK	-	-	2	-	-
HKD	-	-	16	-	-
KRW	19		2	26	-
OMR	-	192	1	-	-

Unhedged foreign currency exposures as on 31 March 2020

Particulars	Cash and cash equivalents	Trade receivables*	Trade Payables	Other financial liabilities
USD	1,202	994	452	26
EUR	71	239	785	-
SGD	-	-	1	-
JPY	-	-	17	-
GBP	1	3	54	-
CAD	-	-	2	-
AUD	-	2	2	-
CHF	-	1	-	-
SEK	-	-	-	-
CNY	-	-	1	-
AED	-	-	1	-
PLN	-	-	23	-
HKD	-	-	-	-
OMR	-	196	-	-

*excludes allowance for doubtful receivables

As at 31 March 2021 and 31 March 2020 every 1% increase / decrease in exchange rates of the respective foreign currencies compared to functional currency of the Group would result in increase / decrease in profit of the Group by approximately Rs. 20 and Rs. 13 respectively.

Currency risk

The Group is exposed to currency risk on account of its receivables and payables in foreign currencies. The functional currency of the Group is Indian Rupee. The Group uses forward exchange contracts to hedge its currency risk, with a maturity period of generally less than one year. The Group does not use derivative financial instruments for trading or speculative purposes.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of 31 March 2021 and 31 March 2020:

Category	31 March 2021		31 March 2020	
	In million	**In Rs. million**	In million	In Rs. million
Forward contracts				
Hedges of recognized assets and liabilities				
USD/INR	**86**	**6,301**	13	950
EUR/INR	**3**	**224**	-	-
Hedges of highly probable forecasted transactions				
USD/INR	**133**	**9,903**	56	4,292
EUR/INR	**4**	**387**	-	-
		16,815		5,242

The table below analyses the derivative financial instruments to relevant maturity groupings based on the remaining period as on the balance sheet date:

	31 March 2021	31 March 2020
Forward contracts in USD		
Not later than one month	**6,922**	455
One to 6 months	**7,010**	2,414
6-12 months	**2,272**	2,373
	16,204	5,242
Forward contracts in EUR		
Not later than one month	**274**	-
One to 6 months	**269**	-
6-12 months	**68**	-
	611	-

The following table provides the reconciliation of cash flow hedge reserve for the year ended 31 March 2021 and 31 March 2020:

	31 March 2021	31 March 2020
Balance at the beginning of the year	**(127)**	49
Acquired in business combinations (refer note 38(c))	**(216)**	-
(Loss) / Gain recognised in other comprehensive income during the year	**322**	(178)
Amount reclassified to Consolidated Statement of Profit and Loss during the year	**364**	(93)
Tax impact on above	**(241)**	95
Balance at the end of the year	**102**	(127)

Interest Risk

The Group's investments are primarily in fixed rate interest bearing investments. Hence, the Group is not significantly exposed to interest rate risk.

44 Contingent liabilities and commitments

A) Commitments

		31 March 2021	31 March 2020
(i)	Estimated value of contracts on capital account remaining to be executed [net of advances Rs. 490 (31 March 2020 Rs. 24)]	**1,336**	1,415
(ii)	Commitments given on leases consist primarily of the common area maintenance charges of the Group's non-cancellable leases		

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

	31 March 2021	31 March 2020
Not later than one year	**448**	**494**
Later than one year but not later than five years	**1,148**	**1,304**
Later than five years	**276**	**504**
	1,872	**2,302**

B) Contingent liabilities

	31 March 2021	31 March 2020
(i) Claims not acknowledged as debt		
Income tax matters [gross of Rs. 82 million (31 March 2020: Nil) paid under protest]	**15**	-
Sales tax matters [gross of Rs. 4 million (31 March 2020: Nil) paid under protest]	**7**	-
Other matters	**643**	38
	665	38

(ii) The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Further, there are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively.

Pending directives from the EPFO, the impact for past periods, if any, is not ascertainable reliably and consequently no financial effect has been provided for in the financial statements. The Group has complied with the order of the SC prospectively effective 1 March 2019 by including such allowances for PF contribution calculations.

(iii) On October 20, 2011, Aricent Technologies (Holdings) Limited (ATHL) received a show cause notice from the service tax department of India demanding service tax on reimbursements made by ATHL to its various branches for salaries and rent and to other vendors located outside of India for visa and insurance services for ATHL's employees traveling abroad from fiscal year 2007 through 2010. Additionally, in the above notices the service tax authorities have included all amounts incurred in the foreign currency by ATHL, on which service tax applicable on import services has not been paid as chargeable to service tax. Since July 22, 2012, ATHL has received similar notices covering the period April 2010 to June 2017. The total tax for such years stands at INR 2,548 million, which does not include interest liability exposure thereon, if any.

For years upto 2014 ATHL has also received orders from Commissioner of Service Tax confirming above tax demand and also imposing interest and a penalty on service tax demanded. ATHL has filled Appeal with the tribunal (CESTAT) against the above order from Commissioner of Service Tax.

In April 2017, the CESTAT has issued order granting stay of demand for the fiscal years 2007 to 2012 till disposal of appeal. In respect of demand determined for FY13 and FY14, pursuant to amendment in law ATHL made a mandatory pre-deposit of INR 49 million before filing appeal before the CESTAT. The recovery of balance amount is stayed till disposal of appeal.

For the period April 2014 to June 2017 the Service tax authorities have only issued show cause notice and ATHL has filed response before the Commissioner of Service Tax against the same. The proposed tax demands in such notice is for INR 373 million which is included in total tax mentioned above.

The service tax department claims these services in above mentioned years qualify as an import of service and that under Section 66A/66B of the Finance Act of India, a service tax is due and owing. ATHL believes that Section 66A/66B is not applicable and accordingly no service tax and consequently no interest is due on these particular services. Since ATHL has not suppressed any facts, it is ATHL's position based on legal advice that tax authorities case for penalty would not sustain. Based on legal advice, judicial precedents and reply being filed by legal counsel which supports ATHL's position, ATHL is of the view that outcome of this matter will not have a material adverse effect on ATHL's balance sheets, Statement of Profit and Loss or Cash Flow Statement.

(iv) In addition to above, the Company has ongoing disputes with Sales Tax, Service Tax, VAT and the Customs authorities relating to availment of input tax credits and characterization of certain transactions etc. The management evaluated the inquiries/ notices/ orders received for the matter under dispute and concluded that any consequent claims or demands by the tax authorities will not succeed on ultimate resolution.

(v) The Company has ongoing disputes with income tax authorities that are pending before various judicial forums in relation to tax treatment of certain tax credits, expenses claimed as deductions, levy of buy back taxes, computation and allowability of tax holiday benefits, re-computation of Arms-Length Price margins, etc. The management evaluated the inquiries/ notices/ orders/ demands received for the matters under dispute and concluded that the Company's position will be upheld and there will not be adverse effect on the Company's financial position and its results on ultimate resolution of these matters.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

In addition to the above, the Company is confident of receiving a favorable resolution/order at the judicial forum in respect of the on-going litigations for the FY 2010-2011 and FY 2011-2012 (covered under APA-1), before the settlement of the Advance Pricing Agreement (Refer Note - APA).

(vi) Advanced Pricing Agreement (APA):

In respect of the transactions between the Company and the Capgemini Group entities operating outside India, the Company has filed APA 1- (Covered period - FY 2010-11 to FY 2014-15) and APA 2- (Covered period - FY 2016-17 to FY 2020-21). The determination of the arm's length pricing and the consequent tax outcome in respect of these transactions is subject to the approval of the APA by the Central Board of Direct Taxes, India, the Internal Revenue Services, USA and Capgemini USA entities (Bilateral Advance Pricing Agreement application filed by Capgemini USA (APA 1 and 2)), HMRC UK and Capgemini UK entities (Bilateral Advance Pricing Agreement application filed by Capgemini UK (APA 2)). The impact of these matters on the financial statements can be ascertained only upon ultimate resolution of the APA's.

(vii) Bangalore campus matters

The Group's subsidiary, ATHL in 2003 had executed an Agreement with a landowner and a developer ("Developer"), for the development, lease and purchase of land facility ("Property") at Bangalore. Under said Agreement, ATHL had an option to purchase the Property, after completion of two years of lease term. ATHL took possession of the Property, but formal lease deed was not executed between the parties. In 2005, the Developer filed a suit to evict ATHL and to recover arrears of rent and damages (2005 Suit). In 2007, ATHL filed suit for specific performance for acquisition of property (2007 Suit) as per terms of the original Agreement. In 2010, the Developer filed another eviction suit and claimed damages (2010 Suit) related to portion of property acquired by it from landowner in 2010. All these suits were consolidated by the City Civil Court, Bangalore and underwent trial for many years of protracted litigation and were adjudicated against ATHL on each of the 2005, 2007 and 2010 suits vide Orders dated April 13, 2016. In these rulings, the City Civil Court held that ATHL was not entitled to specific performance of the purchase option in the Agreement and also ordered to pay arrears of rent and damages and to vacate the Property.

Against the said Orders dated April 13, 2016 in 2005 suit, 2007 suit and 2010 suit, ATHL filed three Appeals at the Hon'ble High Court of Karnataka. In the two appeals against the Orders in 2005 Suit and 2010 Suit, ATHL sought protection against Eviction Order and also against the damages awarded against ATHL. Third appeal was filed against the Order in 2007 suit, wherein ATHL's suit for specific performance for execution of sale deed in favour of ATHL was dismissed. The Hon'ble High Court admitted ATHL's all appeals and also granted an interim injunction (stay) against impugned eviction Orders dated April 13, 2016, subject to payment of an amount as ordered by the City Civil Court to the Developer. ATHL paid INR 331 Million to the Developer as per the Orders of the Hon'ble High Court. In compliance of Hon'ble High Court Orders, ATHL is also making monthly payment of an amount equivalent to INR 2 Million to the Developer. However, all the amount paid/payable to the Developer (i.e. initial amount and the monthly payments) are subject to final outcome of the Appeals filed by ATHL. In August 2018, ATHL has received copies of the cross Appeals filed by the Developer against the Orders dated April 13, 2016 passed in 2005 suit and 2010 suit, seeking damages at the higher rate as against the rate granted by the City Civil Court in the Orders dated April 13, 2016.

Based on legal opinion, ATHL believes that it has a good case and possibility of resolution of the matter against ATHL is remote. Further, ATHL does not believe that the resolution of these matters will have a material adverse effect on ATHL's Balance Sheet or Statement of Profit and Loss, or Statement of Cash Flows.

45 Non-controlling interests (NCI)

The table below gives summarised financial information of ATHL that has non-controlling interests

	31 March 2021
Summarised Balancesheet	
Current assets	20,734
Current liabilities	5,119
Net current assets	**15,615**
Non-current assets	14,389
Non-current liabilities	3,905
Net non-current assets	**10,484**
Net assets	**26,099**
Less Deemed contribution to parent	33
	26,066
Accumulated NCI	**456**

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

	31 March 2021
Summarised statement of profit and loss	
Revenue	25,466
Profit for the year	1,960
Other comprehensive income	605
Total comprehensive income	**2,565**
Profit allocated to NCI	**45**
Summarised cash flows	
Cash flows from operating activities	9,559
Cash flows from investing activities	(9,412)
Cash flows from financing activities	(1,052)
Net increase/ (decrease) in cash and cash equivalents	**(905)**

46 Employee stock compensation plans

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

Pursuant to the acquisition of IGATE Corporation by Capgemini SE, the Company's Performance Share Awards were converted into performance units issued by Capgemini SE, the ultimate parent company with effect from 1 July 2015. The other plans of the Company have been converted into cash settled incentives. Although the share based awards are issued and administered by Capgemini SE, the Company is required to settle the obligation to the employee directly in cash. The features of the performance shares plan are set out below:

Particulars	2015 Plan
	31 March 2020
Vesting period	One, two or three years for the market condition and three years for the internal condition
Vesting schedule *	25% of the units on 1 July 2016, 1 July 2017 and 1 July 2018 subject to presence and market performance conditions and 25% of the units on 1 July 2019 subject to presence and internal performance conditions
Total number of units outstanding as at opening date	5,432
Units vested	5,432
Units forfeited or canceled during the year **	-
Total number of units outstanding as at closing date	-
Fair value per unit on grant date (in Euros)	56.3

* Units vesting in the first three years are subject to a final adjustment clause tied to the change in the Capgemini SE share price between vesting dates and 1 July 2019

** The internal performance condition was only satisfied 100% at the first vesting date, resulting in the vesting of 5,432 units

Details of charge and liability for the above performance plan are set out in table below -

	31 March 2020
Charge for the year	19
Liability as at balance sheet date	-

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

(ii) Table below sets out the stock option activity of the various Share based payment plans under which Capgemini SE granted stock options to the Group's employees.

Till the previous year ended 31 March 2020, the Group had recognised share based payment cost using liability method. However, during the year ended 31 March 2021, in accordance with Ind AS 102 - Share based payments the Group has recognised these compensation costs based on equity method. Consequent to this, the Group has recognised a employee stock option reserve of Rs.2,669 as on 31 March 2021.

Particulars	31 March 2021				
	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Grant date	26-Jul-16	5-Oct-17	3-Oct-18	2-Oct-19	7-Oct-20
Performance assessment dates	Three years for three performance conditions	Three years for three performance conditions	Three years for the four performance conditions	Three years for the four performance conditions	Three years for the four performance conditions
Vesting period	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date
Total numbers of options outstanding at opening date	92,400	116,300	163,445	192,600	-
Total numbers of options granted during the year	8,439	-	-		211,690
Options exercised	100,839	-	-	-	-
Options forfeited or canceled during the year	-	9,600	9,260	10,200	7,530
Total number of options outstanding at closing date	-	106,700	154,185	182,400	204,160
Weighted average remaining contractual life (in years)	-	0.5	1.5	2.5	3.5
Pricing model used to calculate the fair value of shares	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	Monte Carlo for performance shares with external (market) conditions	Monte Carlo for performance shares with external (market) conditions
Fair values of performance conditions (Euro)	69.05	79.90	98.72	92.71	92.57
Main market conditions at grant date :					
Volatility	26.35%	25.65%	23.29%	23.14%	29.61%
Risk free interest rate	0.2% - 0.17%	-0.17% - 0.90%	-0.109% - 0.2429%	-0.478% - 0.458%	-0.499% - 0.4615%
Expected dividend rate	1.60%	1.60%	1.60%	1.60%	1.60%
Charge for the year	17	161	445	342	179
Share based payment reserve	-	541	744	448	179

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

During the previous year the Group had using liability method. For this purpose, these employee stock awards were valued at fair value as on 31 March 2020.

Particulars	31 March 2020				
	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Grant date	29-Jul-15	26-Jul-16	5-Oct-17	3-Oct-18	2-Oct-19
Performance assessment dates	Three years for three performance conditions	Three years for three performance conditions	Three years for three performance conditions	Three years for the four performance conditions	Three years for the four performance conditions
Vesting period	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date
Total numbers of options outstanding at opening date	56,600	95,600	119,650	167,610	-
Total numbers of options granted during the year	-	-	-	-	195,600
Options exercised	51,080	-	-	-	-
Options forfeited or canceled during the year	5,520	3,200	3,350	4,165	3,000
Total number of options outstanding at closing date	-	92,400	116,300	163,445	192,600
Charge for the year	2	41	107	177	106
Amount payable under employee stock option plan - refer note 21 and 25	-	497	380	297	106

(iii) Capgemini SE, the ultimate parent company, has set up an employee share ownership plan, where eligible employees of the Group were invited to subscribe to the shares of the ultimate parent company at a discount of 12.5% to the current market price of the ultimate parent company shares. On 18 December 2017, 18 December 2018, 18 December 2019 and 17 December 2020 the ultimate parent company issued shares for 2017, 2018, 2019 and 2020 employee ownership plan respectively. The charge for the year for these plans are as below:

Particulars	ESOP 2017		ESOP 2018	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
Number of shares	**31,417**	31,417	**36,567**	36,567
Charge for the year	**6**	5	**10**	6
Share based payment reserve	**21**	15	**19**	9

Particulars	ESOP 2019		ESOP 2020	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
Number of shares	**39,681**	39,681	**51,137**	-
Charge for the year	**9**	2	**3**	-
Share based payment reserve	**11**	2	**3**	-

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

(iv) During the year 31 March 2020, Capgemini SE, the ultimate parent company has vested shares to certain employees for February 2016 plan. The Company has recognised cost of Rs.308 in the Statement of Profit and Loss. Since the Company is not expecting recharge of the cost of acquiring these shares from the ultimate parent company, the corresponding liability has been credited to Share based payment reserve.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

47 Subsidiaries information

Name of the subsidiary	Net Assets (Total assets-total liabilities)		Share in profit or (loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
	As % of total	Amount in Rs.	As % of total	Amount in Rs.	As % of total	Amount in Rs.	As % of total	Amount in Rs.
Parent	112.4%	142,835	87.5%	14,789	82.1%	2,722	86.6%	17,511
Indian subsidiaries								
Aricent Technologies (holdings) Limited	20.5%	26,099	11.6%	1,960	18.3%	605	12.7%	2,565
Solcen Technologies Private Limited	0.1%	139	0.2%	29	0.0%	-	0.1%	29
Foreign subsidiaries								
Dalian Liquidhub Consulting Services Ltd Co.(liquidated w.e.f. 15 October 2020)	0.0%	-	0.0%	(8)	0.0%	1	0.0%	(7)
Annik Inc.	0.5%	680	0.6%	108	-0.4%	(14)	0.5%	94
Annik UK LTD*	0.0%	7	0.0%	-	0.0%	-	0.0%	-
Liquidhub PTE. LTD.	0.0%	11	0.2%	28	0.0%	-	0.1%	28
Adjustment arising out of consolidation	-33.6%	(42,658)	0.0%	(5)	0.0%	-	0.0%	(5)
TOTAL	100.0%	127,114	100.0%	16,901	100.0%	3,314	100.0%	20,215

* Annik UK LTD has filed for liquidation on 17 December 2019. However, same is pending subject to approvals from authorities and the entity is legally active as on 31 March 2021

48 Merger schemes pending with National Company Law Tribunal, Mumbai (NCLT)

The Company has filed an application with the NCLT on 3 July 2021 to merge Solcen Technologies Pvt Ltd with the Company, under sections 230 to 232 of the Companies Act, 2013. The merger scheme was approved by the Company's Board of Directors on 26 May 2021. The appointed date for the merger is 1 April 2021.The matter is pending before the NCLT and approval is still awaited.

49 COVID-19 Impact

"The World Health Organization in February 2020 declared outbreak of Coronavirus (COVID -19) as a pandemic. The pandemic rapidly spread throughout the world, including India. While Governments around the world including India took significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities, the COVID -19 pandemic did cause significant disturbance and slowdown of economic activity which led to the Group's offices being closed down in March 2020. The offices subsequently reopened in June 2020 in line with the resumption of economic activity and continues to function albeit in a limited fashion, there has been a second wave impacting the world at different points in time and impacting India since April 21.

Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdown in the preparation of the financial statements including the assessment of recoverable values of its assets. The Group is monitoring the situation closely taking into account directives from the Government. At this stage, the Group considers it is in a position, notably due to its digital capabilities, to ensure continuity of services currently demanded by its clients. However the Group will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.

50 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 a month prior to the due date of filing its income tax return (i.e. 31 December 2021). The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

Notes to the consolidated financial statements for the year ended 31 March 2021 *(Contd.)* *(Currency : INR in million)*

51 Code on social security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

50 Previous year comparatives

Previous year's figures have been regrouped or reclassified, wherever necessary to conform to current year's presentation.

Signatures to Notes form an integral part of the consolidated financial statements.

As per our report of even date attached

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No.: 012754N/ N500016

Jeetendra Mirchandani
Membership No: 048125

Place : Pune
Date : 23 August 2021

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

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

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

Armin Billimoria
Company Secretary
FCS - 8637
Place : Mumbai
Date : 23 August 2021

Sujit Sircar
Chief Financial Officer
Place : Bengaluru

https://www.capgemini.com/in-en/what-we-do/group-overview/Capgemini-technology-services-india-limited-formerly-known-as-igate-global-solutions-limited/

Capgemini Technology Services India Limited

Regd. Office: 14, Rajiv Gandhi Infotech Park, Hinjawadi Phase-III, MIDC - SEZ, Village Man,
Taluka Mulshi, Pune - 411 057, Maharashtra, India
Phone: +91-20-6699-2000 • Fax: +91-20-6699-5050
Email: cgcompanysecretary.in@capgemini.com • CIN: U85110PN1993PLC145950