



# Annual Report

## 2021-22

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**Capgemini Technology Services India Limited**

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## Board of Directors

**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. AIMAN EZZAT**

Non-Executive Director

**MS. MARIA PERNAS**

Non-Executive Director

**MR. RAMASWAMY RAJARAMAN**

Non-Executive Director and Independent Director

**MS. KALPANA RAO**

Non-Executive Director and Independent Director

**MS. SHOBHA MEERA**

Additional Director

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**MR. SUJIT SIRCAR**

Chief Financial Officer

**MS. ARMIN BILLIMORIA**

Company Secretary

## Board Committees

**Audit Committee**

Ramaswamy Rajaraman: Chairperson

Kalpana Rao

Ashwin Yardi

**Stakeholders' Relationship Committee**

Ramaswamy Rajaraman: Chairperson

Kalpana Rao

Ashwin Yardi

**Nomination and Remuneration Committee**

Kalpana Rao: Chairperson

Ramaswamy Rajaraman

Hubert Giraud

**Corporate Social Responsibility Committee**

Kalpana Rao: Chairperson

Ramaswamy Rajaraman

Ashwin Yardi

Aruna Jayanthi

Hubert Giraud

Shobha Meera

**Auditors****Price Waterhouse Chartered Accountants LLP**

Chartered Accountants

Firm Registration no: 012754N/ N500016

252 Veer Savarkar Marg, Shivaji Park,

Dadar (West)

Mumbai – 400028

**Registrar & Share Transfer Agent****Kfin Technologies Limited**

**(Formerly known as Kfin Technologies Private Limited)**

Karvy Selenium Tower B,

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

Nanakramguda,

Hyderabad – 500 032

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# ANNUAL REPORT 2021-22

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## NOTICE FOR THE 29<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that Twenty Ninth Annual General Meeting (AGM) of the Members of Capgemini Technology Services India Limited ("Company") will be held on Tuesday, 27 September 2022 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 2022 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 2022 together with the Report of the Auditor therein.
2. 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.
3. 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.
4. 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.
5. 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.
6. To appoint a Director in place of Mr. Aiman Ezzat (DIN: 08973737), 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.
7. To appoint a Director in place of Ms. Maria Pernas (DIN: 09283566), 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.

### SPECIAL BUSINESS:

8. To appoint Ms. Shobha Meera (DIN: 09512374) 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. Shobha Meera (DIN: 09512374), 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. Shobha Meera as a candidate for the office of the Director of the Company, be and is hereby appointed as a Non-Executive Director of the Company liable to retire by rotation."

"RESOLVED FURTHER THAT any one of the Directors 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

Date: 29 August 2022  
Place: Mumbai

**Armin Billimoria**  
Company Secretary  
FCS: 8637

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

## Notes:

- 1) Pursuant to COVID 19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated 05 May 2022 read with General Circulars dated 08 April 2020, 13 April 2020, 05 May 2020, 13 January 2021 and 14 December 2021 (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](mailto:indapurkarcs@gmail.com) with a copy to the Company at [cgcompanysecretary.in@capgemini.com](mailto:cgcompanysecretary.in@capgemini.com).
- 5) Institutional investors, who are Members of the Company are encouraged to attend and vote at the Twenty Ninth 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. 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, Mr. Paul Hermelin (DIN: 07887276), Non-Executive Director, Mr. Aiman Ezzat (DIN: 08973737), Non-Executive Director and Ms. Maria Pernas (DIN: 09283566), 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. 27 September 2022. Members seeking to inspect such documents can send an email to [cgcompanysecretary.in@capgemini.com](mailto: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 Wednesday, 21 September 2022 to Tuesday, 27 September 2022 (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](mailto:cgcompanysecretary.in@capgemini.com) or its Registrar and Share Transfer Agent, Kfin Technologies Limited (formerly known as Kfin Technologies Private Limited) ("KfinTech") at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
- 14) In compliance with MCA Circulars, Notice of the AGM along with Annual Report 2021-22 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, 26 August 2022. 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](mailto:cgcompanysecretary.in@capgemini.com) or its Registrar and Share Transfer Agent, KfinTech at [einward.ris@kfintech.com](mailto: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](mailto:cgcompanysecretary.in@capgemini.com) or its Registrar and Share Transfer Agent, KfinTech at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or IEPF authority.
- 18) The recorded transcript of the AGM on 27 September 2022, 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 Ninth 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 - 411057.
- 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 Wednesday, 21 September 2022 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	<p><b>Existing Internet-based Demat Account Statement ("IDeAS") facility Users:</b></p> <ol style="list-style-type: none"> <li>1. Visit the e-services website of NSDL <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile.</li> <li>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.</li> <li>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.</li> <li>4. Click on company name i.e. "Capgemini Technology Services India Limited" or e-voting service provider i.e. KFin.</li> <li>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.</li> </ol> <p><b>Those not registered under IDeAS:</b></p> <ol style="list-style-type: none"> <li>1. Visit <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> for registering.</li> <li>2. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3. Visit the e-voting website of NSDL <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>.</li> <li>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.</li> <li>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.</li> <li>6. After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page.</li> </ol>

	<p>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.</p> <p>8. Members can also download the NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div data-bbox="625 374 1046 568" data-label="Image"> </div>
Individual Members holding securities in demat mode with CDSL	<p><b>1. Existing user who have opted for Electronic Access To Securities Information (“Easi / Easiest”) facility:</b></p> <ol style="list-style-type: none"> <li>Visit <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>Click on New System Myeasi.</li> <li>Login to Myeasi option under quick login.</li> <li>Login with the registered user ID and password.</li> <li>Members will be able to view the e-voting Menu.</li> <li>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.</li> </ol> <p><b>2. User not registered for Easi / Easiest</b></p> <ol style="list-style-type: none"> <li>Visit <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a> for registering.</li> <li>Proceed to complete registration using the DP ID, Client ID (BO ID), etc.</li> <li>After successful registration, please follow the steps given in point no. 1 above to cast your vote.</li> </ol> <p><b>3. Alternatively, by directly accessing the e-voting website of CDSL</b></p> <ol style="list-style-type: none"> <li>Visit <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>Provide demat Account Number and PAN</li> <li>System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account.</li> <li>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.</li> <li>Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication.</li> </ol>
Individual Members login through their demat accounts / Website of Depository Participant	<ol style="list-style-type: none"> <li>Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility.</li> <li>Once logged-in, Members will be able to view e-voting option.</li> <li>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.</li> <li>Click on options available against Capgemini Technology Services India Limited or KFin.</li> <li>Members will be redirected to e-voting website of KFin for casting their vote during the remote e-voting period without any further authentication.</li> </ol>

**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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: <b>1800 1020 990</b> and <b>1800 22 44 30</b>
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at <b>022- 23058738</b> or <b>022-23058542-43</b>

**Details on Step 2 are mentioned below:**

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

- Launch internet browser by typing the URL: <https://evoting.kfintech.com>
- 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.
- 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.
- After entering the details appropriately, click on LOGIN.
- 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.
- You need to login again with the new credentials.
- On successful login, the system will prompt you to select the EVENT i.e., Capgemini Technology Services India Limited – “AGM” and click on “Submit”.
- On the voting page (which will be different for each resolution), enter the number of shares as on the cut-off date, Wednesday, 21 September 2022 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.
- Members holding multiple folios / Demat accounts shall need to use the voting process separately for each folio / Demat account.
- 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.
- 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](mailto:indapurkarcs@gmail.com) with a copy to [cgcompanysecretary.in@capgemini.com](mailto:cgcompanysecretary.in@capgemini.com). The file(s) containing the scanned image of the Board resolution should be in the naming format “Corporate Name”.
- Once the vote on the resolution is cast by the Member, he shall not be allowed to change it subsequently.
- The Portal will be open for voting from Saturday, 24 September 2022 at 9.00 a.m. and closes on Monday, 26 September 2022 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 Wednesday, 21 September 2022, may cast their vote electronically. Those Members who have acquired shares after Friday, 26 August 2022 i.e. cut-off date for sending of Annual Report and holding shares as on the e-voting cut-off date i.e. Wednesday, 21 September 2022, 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.
- 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 Saturday, 24 September 2022 at 9.00 a.m. and closes on Monday, 26 September 2022 at 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](mailto: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 Ninth 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: 29 August 2022  
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. 8

The Board of Directors (based on the recommendation of the Nomination and Remuneration Committee) had appointed Ms. Shobha Meera (DIN: 09512374) as an Additional Director on the Board of the Company with effect from 28 March 2022 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. Shobha Meera for the office as a Non-Executive Director of the Company.

The Company has received from Ms. Shobha Meera (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 subSection (2) of Section 164 of the Act.

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

Name	Ms. Shobha Meera
Age	55 years
Qualifications	Electrical Engineer from Osmania University and MBA from the Indian Institute of Management, Ahmedabad
Experience	23 years Ms. Shobha Meera is the Chief Corporate Social Responsibility Officer for the Capgemini Group, with responsibility for directing the Group's strategy and actions on social and environmental sustainability. As a firm proponent of doing good while doing well, she brings her business leadership skills and experience to accelerating Capgemini's people, planet, society agenda. She is a member of Capgemini's Group Executive Committee. Ms. Shobha Meera serves on the boards of Capgemini India, Purpose PBC and Global Compact Network USA, the USA local network for the United Nations Global Compact.  Prior to assuming her current position, Ms. Shobha Meera was the Global Sales Officer for Capgemini's Financial Services Strategic Business Unit, where she was responsible for sales, marketing, alliances, advisor & analyst relations. She is an established leader in the technology and consulting services industry and has held multiple strategy, transformation, and operational roles in the areas of sales and marketing, business development and channel management in prior tenures at IGATE & Infosys.
Terms & Conditions of appointment / reappointment	As mutually agreed between the Company and Ms. Shobha Meera
Details of remuneration sought to be paid	Nil
Remuneration, if any, last drawn	Nil
Date of first appointment on the Board	28 March 2022
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	2
Directorship in other companies	a. Purpose Global PBC    b. Global Compact Network USA
Membership / Chairmanship of committees of other Boards	None

No Director, key managerial personnel or their relatives, except Ms. Shobha Meera 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: 29 August 2022  
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

# ANNUAL REPORT 2021-22

## BOARD'S REPORT

Dear Members,

The Directors are pleased to present the Twenty Ninth Board's Report and the Audited Financial Statements for the year ended 31 March 2022.

## FINANCIAL PERFORMANCE

(INR in million)

	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Income				
Revenue from operations	199,043	149,880	226,288	176,483
Other income	2,535	3,591	4,362	3,975
Total income (I)	201,578	153,471	230,650	180,458
Expenses				
Employee benefit expenses	144,863	107,095	163,492	124,233
Other expenses	21,347	15,788	25,840	20,791
Depreciation and amortization expenses	7,326	6,800	8,755	8,384
Finance costs	583	720	759	927
Total expenses (II)	174,119	130,403	198,846	154,335
Profit before tax (I) –(II)	27,459	23,068	31,804	26,123
Tax expenses				
-Current tax	7,890	5,863	9,268	6,663
-Deferred tax	(658)	2,403	(534)	2,577
Total tax expenses	7,232	8,265	8,734	9,240
Profit for the year	20,227	14,802	23,070	16,883
Total other comprehensive income/(loss), net of tax	(1,492)	2,722	(1,537)	3,314
Total comprehensive income for the year	18,735	17,524	21,533	20,197

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, 2013 (Act) and other relevant provisions of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

### Operational Review:

During the Financial Year 2021-22, the Revenue and Other Income of your Company was INR 201,578 million as against INR 153,471 million in the previous year, showing a growth of 31.35 % over the previous year. The Company earned Profit for the year of INR 20,227 million as against INR 14,802 million in the previous year.

### Share Capital:

The Authorized Capital of the Company as on 31 March 2022 was INR 2,859,100,000 (Indian Rupees Two Thousand Eight Hundred Fifty Nine Million One Hundred Thousand only) divided into 256,110,000 (Two Hundred Fifty Six Million One Hundred Ten 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 2022 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 2022.

## **Particulars of Loans, Guarantees and Investments:**

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

## **Deposits:**

Your Company has not accepted any deposits in accordance with Chapter V of the Companies Act, 2013 and rules made thereunder and as such there were no outstanding principal or interest payments on the Balance Sheet date.

## **COVID -19**

COVID 19 pandemic continued to be a global challenge. At Capgemini as we continue in our endeavour to fight waves of COVID -19, our priority remains the safety and well being of our employees and business continuity for our clients.

Company has launched a series of initiatives relating 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 and their family members has been arranged. The Company has extended support to the employees impacted by this pandemic, including those who tested positive for COVID-19. The Company has implement a phased and safe return-to-work plan.

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 various affected communities in collaboration with NGO partners and the government and other stakeholders and reached out to 930,000 people from marginalized groups. Through common commitments to support quality care and resilience, the Company demonstrated solidarity for marginalized communities and provided government institutions necessary infrastructural support. After seeing the negative effects of COVID-19 on people, institutions, the economy and mental health, which resulted in a survival crisis for many towns, the Company, took a proactive approach that emphasized emergency response and long-term healthcare facilities. Some major highlights are as under -

- Improved healthcare systems by giving infrastructure support to 118 government hospitals in 15 cities.
- Served 828,721 people with dry grocery kits and cooked meals as part of an emergency relief effort.
- Installed 12 oxygen plants, resulting in 287 ICU beds, distributed 1100+ oxygen concentrators and made 5 RTPCR equipment available, in addition to hundreds and thousands of PPE kits, gloves, sanitizers, masks and other items to help government hospitals boost their Covid response systems.
- Established a tele-ICU service for 11 beds at the government hospital in Beed.
- Assisted IIT Madras and IISc Bangalore in developing antigen and antibody-based Covid test kits to provide communities with affordable and rapid Covid testing solutions.
- During Covid, we created a toll-free helpline for mental health counselling, which was used by over 65,000 people.
- Provided medicines, therapy, food, counselling, and psychosocial support to underprivileged communities such as children with cancer, children with HIV, sex workers, unorganized labourer, women, transpersons, scheduled tribes, persons with disabilities, and migratory workers.

## **Subsidiaries:**

As on 31 March 2022:

- The Company has three (3) subsidiaries. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").
- Further, pursuant to the provisions of Section 136 of the Act, the standalone 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 at <https://www.capgemini.com/in-en/what-we-do/group-overview/capgemini-technology-services-india-limited-formerly-known-as-igate-global-solutions-limited/>.

# ANNUAL REPORT 2021-22

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Amalgamation of Solcen Technologies Private Limited with the Company is completed pursuant to National Company Law Tribunal merger order dated 11 March 2022 and effective from 06 April 2022.

In line with the Group's overall business strategy, Scheme of Amalgamation has been filed with National Company Law Tribunal to amalgamate Aricent Technologies (Holdings) Limited, 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, 2015 as amended from time to time, which 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 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 2021-22. Acquisitions/ divestments, as applicable have been adequately disclosed in the financial statements.

The annual accounts of the subsidiary companies are available for inspection by 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 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/>.

## **Related Party Transactions:**

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

## **Business Activities:**

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

## **Corporate Governance:**

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

## **Investor Education and Protection Fund (IEPF):**

In compliance with the provisions of 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 said 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 based Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). Member requiring any support in this matter can also contact Registrar and Share Transfer Agent, Kfin Technologies Limited at email id: [einward.ris@kfintech.com](mailto: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 2022, 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 empowering 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

# ANNUAL REPORT 2021-22

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at [cgcompanysecretary.in@capgemini.com](mailto:cgcompanysecretary.in@capgemini.com) or its Registrar and Share Transfer Agent, Kfin Technologies Limited at [einward.ris@kfintech.com](mailto: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, the 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, Ms. Shobha Meera (DIN: 09512374) was appointed as an Additional Director of the Company on 28 March 2022.

### ***Resignations:***

During the period under review, Mr. Srinivasa Rao Kandula (DIN: 07412426), Wholetime Director and Chairman resigned on 10 January 2022.

The Board places on record the valuable contributions made by Mr. Srinivasa Rao Kandula during his tenure.

### ***Reappointment of Directors:***

In accordance with the terms of Memorandum and Articles of Association of the Company, 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, Mr. Paul Hermelin (DIN: 07887276), Non-Executive Director, Mr. Aiman Ezzat (DIN: 08973737), Non-Executive Director and Ms. Maria Pernas (DIN: 09283566), 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, Wholetime Director and Chief Executive Officer, Mr. Sujit Sircar, Chief Financial Officer and Ms. Armin Billimoria, Company Secretary are designated as Key Managerial Personnel of the Company as on 31 March 2022.

## **Board Meetings:**

The Board met seven (7) times during the Financial Year 2021-22 i.e. 26 May 2021, 26 July 2021, 23 August 2021, 30 September 2021, 17 December 2021, 10 January 2022 and 28 March 2022 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 2022, the Board had four committees i.e. 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. Ashwin Yardi. Audit Committee met ten (10) times during the Financial Year 2021-22 i.e. 26 May 2021, 21 June 2021, 26 July 2021, 23 August 2021, 01 October 2021, 29 October 2021, 17 December 2021, 10 January 2022, 22 February 2022 and 28 March 2022 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 six (6) times during the Financial Year 2021-22 i.e. 25 May 2021, 23 July 2021, 23 August 2021, 17 December 2021, 10 January 2022 and 28 March 2022 respectively.

Corporate Social Responsibility Committee comprises of five Directors namely Ms. Kalpana Rao, Mr. Ramaswamy Rajaraman, Mr. Ashwin Yardi, Ms. Aruna Jayanthi and Mr. Hubert Giraud. Corporate Social Responsibility Committee met thrice (3) during the Financial Year 2021-22 i.e. 10 May 2021, 22 July 2021 and 29 November 2021 respectively.

Stakeholders Relationship Committee comprises of three Directors namely Mr. Ramaswamy Rajaraman, Ms. Kalpana Rao and Mr. Ashwin Yardi. Stakeholders Relationship Committee met twice (2) during the Financial Year 2021-22 i.e. 30 November 2021 and 10 January 2022.

## **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 as a whole 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 and the Board as a whole 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 has complied 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 2022 was 162,487.

## **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, these details will be provided to shareholders on request.



## **Auditors:**

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 M/s. Kaushik M. Jhaveri & Co., Practising Company Secretary (CP: 2592), to undertake Secretarial Audit of the Company for the year ended 31 March 2022. 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 2022 is available on Company's 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/>.

## **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/>.

## **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, 2014 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 actions. 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 through Energy Command Center (ECC) in Bangalore. ECC harnesses a data-driven approach and digitalization to monitor and control the performance of various energy assets and aid in sustainability initiatives across its owned campuses. Company has received Energy certifications such as Net-zero Energy, ISO50001, and green building certifications.

*Renewable Energy:* Operationally, significant progress on energy transition to 100% renewable electricity is undertaken at all campuses and extending onsite solar plant capacity from 9.5 MWp to 11.6 MWp. Notably, all our Bangalore, Mumbai, and Pune facilities are converted to 100 % renewable energy. Company is also purchasing renewable energy through offsite solar power plants for its Chennai & Bangalore campuses.



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*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 182,035 million in foreign exchange as against INR 136,771 million in the previous year. Exchange outgo, including capital goods was INR 12,277 million as against INR 7,418 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 this 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 Postal Ballot seeking approval from the shareholders, the details of which are mentioned herein below:

On 09 August 2021, 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, 2021 ("CAPGEMINI ESOP 2021").

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

Ballot is 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, no information is required to be reported 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 2021-22, the Company had received 8 complaints on sexual harassment. All such complaints were investigated and disposed of with appropriate action taken and no complaint remained pending as on 31 March 2022.

### **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.

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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**

**Kalpana Rao**  
*Independent Director*  
DIN: 07093566  
Place: Bengaluru

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

Date: 02 August 2022

## 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	75.90	1	916	1,054	136	-	738	229	23	206	-	100%
2	Annik UK Limited (liquidated w.e.f. 18 December 2021)	UK	GBP	102.02	-	-	-	-	-	-	(2)	-	(2)	-	100%
3	Liquidhub Pte. Ltd.	Singapore	SGD	56.05	2	22	30	5	-	105	14	1	13	-	100%
4	Aricent Technologies (Holdings) Ltd (w.e.f. 23 November 2020)	India	INR	1	1,312	27,375	36,416	7,729	12,994	26,785	4,103	1,478	2,625	-	98.25%

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

- Names of subsidiaries which are yet to commence operations- Not Applicable
- Names of subsidiaries which have been liquidated or sold during the year-Annik UK Limited is liquidated

For and on behalf of Board of Directors

**Capgemini Technology Services India Limited****Kalpana Rao**

Independent Director

DIN: 07093566

Place : Bengaluru

**Ashwin Yardi**

Wholetime Director &amp; Chief Executive Officer

DIN: 07799277

Place : Mumbai

**Armin Billimoria**

Company Secretary

FCS: 8637

Place : Mumbai

**Sujit Sircar**

Chief Financial Officer

Place : Bengaluru

Date : 02 August 2022

## ANNEXURE II

### Form AOC-2

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

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

a) Name of related party and nature of relationship

Name of related party	Nature of relationship	Duration of contract	Salient terms
Capgemini S.E.	Ultimate Holding Company	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini North America, Inc.	Holding Company	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini America, Inc.	Entity with Significant influence over the Company	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Arcent Technologies (Holdings) Ltd	Subsidiary Company	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Annik, Inc.	Subsidiary Company	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Annik UK Ltd (liquidated w.e.f. 18 September 2021)	Subsidiary Company	01 April 2021 to 18 September 2021	Based on transfer pricing guidelines
LiquidHub Pte. Ltd.	Subsidiary Company	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Altran ACT	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Altran Deutschland SAS & Co. Kg	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Altran Software US Inc (merged with Capgemini America, Inc. w.e.f. 30 September 2021)	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Altran Technologies India Pvt. Ltd.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Altran Technologies S.A.S.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Arcent Holdings Mauritius Limited	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini (China) Co. Ltd.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Asia Pacific Pte Ltd. - Taiwan Branch	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Australia (New Zealand Branch)	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Australia PTY Limited	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Belgium NV/S.A.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Brasil S.A. (formerly CPM Braxis S.A.)	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Business Services (China) Limited	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Business Services B.V.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Business Services Brasil - Assessoria Empresarial Ltda	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Canada Inc.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Colombia SAS	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Consulting Österreich AG	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Consulting S.A.S.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Czech Republic s.r.o	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Danmark A/S	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Deutschland GmbH	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Deutschland Holding GmbH	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Educational Services B.V.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Engineering Research and Development S.A.S. (formerly known as Capgemini DEMS France SAS)	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini España S.L.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines

Name of related party	Nature of relationship	Duration of contract	Salient terms
Capgemini Finland Oy	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini France S.A.S.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Government Solutions LLC	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Hong Kong Limited	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Ireland Limited	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited )	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Italia spA	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Japan K.K.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Magyarorszag Kft.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Mexico S. de R.L. de C.V.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Nederland B.V.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Norge A/S	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Outsourcing Services GmbH	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Philippines Corp.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Polska Sp. z o.o	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Portugal, Serviços de Consultoria e Informatica, S.A.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Saudi Limited	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Service Romania s.r.l.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Service S.A.S.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Services Malaysia Sdn Bhd	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Singapore Pte. Ltd.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Singapore Pte. Ltd. - Abu Dhabi Branch	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Singapore Pte. Ltd. - Dubai Branch	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Solutions Canada Inc.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Suisse S.A.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Sverige AB	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Technologies LLC	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Technology Services S.A.S.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini UK plc	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini UK Plc - South Africa Branch	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Capgemini Vietnam Co., Ltd.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
CHCS Services Inc - India Branch (till 1 September 2021)	Fellow subsidiary	01 April 2021 to 01 September 2021	Based on transfer pricing guidelines
CHCS Services Inc. (till 1 September 2021)	Fellow subsidiary	01 April 2021 to 01 September 2021	Based on transfer pricing guidelines
Global Edge Software Limited	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Inergi Inc.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Inergi LP	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Interactive Thinking S.R.L. (merged with Capgemini Italia spA w.e.f. 31 December 2021)	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Itelios SAS (merged with Capgemini Technology Services S.A.S. w.e.f. 1 May 2021)	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Matiq A/S	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines

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Name of related party	Nature of relationship	Duration of contract	Salient terms
New Horizons Systems Solutions Inc	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
RADI Software Do Brasil Ltda.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Sogeti Belgium S.A.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Sogeti Deutschland GmbH	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Sogeti Luxembourg S.A.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Sogeti Nederland B.V.	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Sogeti Sverige AB	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Sogeti UK Limited	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines
Tessella (UK)	Fellow subsidiary	01 April 2021 to 31 March 2022	Based on transfer pricing guidelines

b) Aggregate value of the above contracts or arrangements or transactions is Rs. 178,674 Million during the year.

For and on behalf of the Board of Directors

**Capgemini Technology Services India Limited**

**Kalpana Rao**

*Independent Director*

DIN: 07093566

Place : Bengaluru

**Ashwin Yardi**

*Wholetime Director & Chief Executive Officer*

DIN: 07799277

Place: Mumbai

Date : 02 August 2022

## 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 31<sup>ST</sup> MARCH, 2022

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 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, Maharashtra

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 with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minutes book, 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 the 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, 2022 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, minutes book, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 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, 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 - Not applicable to the Company during the audit period.
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity), Regulation, 2021; 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 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - 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.



- (i) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulation, 2021 - Not applicable to the Company during the audit period

The Management of the 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 the 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.

**I report that:**

As on 31st March, 2022 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 which commensurate with the size, scale and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period following events took place that had a major bearing on the company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc. referred above:

1. That during the period under review the wholly-owned subsidiary company i.e. IGATE Infrastructure Management Services Limited was merged with the Company via National Company Law Tribunal (NCLT) merger/ amalgamation order dated 08th June, 2021.
2. That during the period under review the wholly-owned subsidiary companies i.e., LiquidHub India Private Limited and LiquidHub Analytics Private Limited were merged with the Company via National Company Law Tribunal (NCLT) merger/ amalgamation order dated 24th June, 2021.
3. 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 10th September, 2021 approved to provide for money and/or loan/financial assistance to employees to subscribe to Capgemini SE Employee Stock Ownership Plan, 2021.
4. That during the period under review the wholly-owned subsidiary company i.e., Solcen Technologies Private Limited was merged with the Company via National Company Law Tribunal (NCLT) merger/ amalgamation order dated 11th March, 2022.

**For Kaushik M. Jhaveri & Co.,**

**Kaushik M. Jhaveri**  
**Practising Company Secretary**  
**FCS No.: 4254**  
**CP No.: 2592**  
**UDIN: F004254D000353713**

**Date: 20/05/2022**  
**Place: Mumbai**

## **Annexure - A to Secretarial Audit Report of Capgemini Technology Services India Limited for the year ended 31st March, 2022**

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 Secretarial Audit Report of Capgemini Technology Services India Limited for the year ended 31st March, 2022**

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, Maharashtra

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

1. Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on 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. Where ever 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.,**

**Kaushik M. Jhaveri**  
**Practising Company Secretary**  
**FCS No.: 4254**  
**CP No.: 2592**  
**UDIN: F004254D000353713**

**Date: 20/05/2022**  
**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, Woman Director and Chairperson of CSR Committee	3	3
2	Ashwin Yardi	Member and Wholetime Director	3	3
3	Ramaswamy Rajaraman	Member and Independent Director	3	3
4	Aruna Jayanthi	Member and Director	3	3
5	Hubert Giraud	Member and Director	3	2

#### 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") and has initiated impact assessment for three projects through independent agencies. The reports are available on website of the Company.

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## 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)
1	2021-22	8,917,331	8,917,331

6.	Average net profit of the company as per section 135(5)	22,378,750,344
7.	(a) Two percent of average net profit of the company as per section 135(5)	447,575,007
	(b) Surplus arising out of the CSR projects or programs or activities of the previous Financial Years.	-
	(c) Amount required to be set off for the Financial Year, if any	8,917,331
	(d) Total CSR obligation for the Financial Year (7a + 7b - 7c)	438,657,676

## 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
952,372,428	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 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
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	10,746,403.00	-	No	Aide et Action	CSR00001291
2	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	8,214,140.30	-	No	World Wide Funds for Nature - India	CSR00000257
3	Digital Literacy Program	(ii) & (iii)	Yes	Karnataka, Tamil Nadu, Uttar Pradesh, Haryana	Bengaluru, Chennai, Noida, Gurugram	3 Years	2,949,258.40	-	No	SRF Foundation	CSR00000733
4	Digital Literacy Program	(ii) & (iii)	Yes	Maharashtra	Mumbai & Pune	3 Years	3,060,068.00	-	No	Sri Sri Ravishankar Vidya Mandir Trust	CSR00009380
5	Digital Literacy Program	(ii) & (iii)	Yes	Tamil Nadu	Trichy & Salem	3 Years	2,397,710.00	-	No	Hope Foundation	CSR00000472
6	Digital Literacy Program	(ii) & (iii)	Yes	West Bengal	Kolkata	3 Years	919,611.00	-	No	Change Initiatives	CSR00001889
7	Digital Literacy Program	(ii) & (iii)	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	14,430,000.00	-	No	An Association for Development, Harmony and Action Research	CSR00001918

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 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
8	STEM, Tinker & Coding Program	(ii)	Yes	Tamil Nadu, Karnataka, Uttar Pradesh & Telangana	Chennai, Bangalore, Noida & Hyderabad	3 Years	13,921,600.00		- No	SRF Foundation	CSR00000733
9	STEM, Tinker & Coding Program	(ii)	Yes	West Bengal	Kolkata	3 Years	6,114,141.00		- No	Change Initiatives	CSR00001889
10	Rocket Learning	(ii)	Yes	Uttar Pradesh	Chandauli	1 Year	1,466,924.00		- No	An Association for Development, Harmony and Action Research	CSR00001918
11	School Adoption Program	(ii)	Yes	Maharashtra	Mumbai & Pune	3 Years	1,196,194.00		- No	Sri Sri Ravishankar Vidya Mandir Trust	CSR00009380
12	Digital Academy	(ii)	Yes	Karnataka & Tamil Nadu	Bangalore & Chennai	3 Years	5,382,564.00		- No	Anirban Rural Welfare Society	CSR00000708
13	Digital Academy	(ii)	Yes	Maharashtra, West Bengal & Uttar Pradesh	Mumbai, Kolkata & Noida	3 Years	17,683,867.80		- No	Anudip Foundation	CSR00000060
14	Digital Academy - Project DIYA	(ii)	Yes	Maharashtra & Tamil Nadu	Mumbai & Chennai	3 Years	17,746,869.80		- 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	1,807,260.00		- No	Foundation for Excellence	CSR00002053
16	Digital Academy - GuruSchool	(ii)	Yes	Maharashtra, Telangana, West Bengal & Delhi NCR	Pune, Hyderabad, Kolkata & Delhi	3 Years	3,049,682.40		- No	Udyogini	CSR00001487
17	Digital Academy	(ii)	Yes	Tamil Nadu	Trichy & Salem	3 Years	11,189,547.60		- No	Udyogini	CSR00001487
18	Digital Academy - School of Coding	(ii)	Yes	Maharashtra & Tamil Nadu	Mumbai, Pune & Chennai	2 Years	1,003,200.00		- No	Udyogini	CSR00001487
19	Mission for Elimination of Poverty in Municipal Areas (MEPMA)	(ii)	Yes	Telangana	Hyderabad	3 Years	1,785,960.00		No	Udyogini	CSR00001487
20	Digital Academy	(ii)	Yes	Karnataka	Bangalore	1 Year	2,940,000.00		- No	Technoserve	CSR00001337
21	Digital Academy	(ii)	Yes	Karnataka & Maharastra	Bangalore & Mumbai	3 Years	24,036,811.20		No	Technoserve	CSR00001337
22	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	14,700,000.00		- No	Global Compact Network	CSR00006252
23	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	39,090,605.80		- No	An Association for Development, Harmony and Action Research	CSR00001918
24	Digital Academy - Inclusion	(ii)	Yes	Maharashtra	Mumbai & Pune	2 years	5,796,000.00		- No	Youth4Jobs Foundation	CSR00002046
25	Digital Academy - Inclusion	(ii)	Yes	Telangana, Karnataka & Tamil Nadu	Hyderabad, Bangalore & Chennai	3 Years	9,244,530.00		- No	Youth4Jobs Foundation	CSR00002046

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 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
26	Mission Million Trees	(iv)	Yes	Maharashtra, Karnataka, Tamil Nadu, Telangana,	Mumbai, Pune, Bengaluru, Trichy, Salem, Hyderabad,	4 Years	4,584,500.00	-	No	International Association for Human Values	CSR00000683
27	Mission Million Trees	(iv)	Yes	West Bengal, Gujarat, Haryana, Uttar Pradesh	Kolkata, Gandhinagar, Gurugram, Noida NCR	5 Years	1,202,500.00	-	No	World Wide Funds for Nature India	CSR00000257
28	Mission Million Trees	(iv)	Yes			6 Years	3,200,000.00	-	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	1,063,116.00	-	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	2,862,365.00	-	No	Anudip Foundation	CSR00000060
31	Positive Parenting and Child Helpline	(ii)	Yes	Maharashtra	Mumbai	3 Years	1,329,999.00	-	No	Parisar Asha	CSR00001772
32	Robots for Cleaning & intervention in Sewer line	(ix) (a)	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	722,460.00	-	No	Indian Institute of Technology Madras	CSR00004320
33	NSRCEL	(ix) (a)	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	18,900,000.00	-	No	Indian Institute of Management Bangalore	CSR00003458
34	National Programme on Technology Enhanced Learning	(ix) (b)	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	3,570,000.00	-	No	Indian Institute of Technology Madras	CSR00004320
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	23,071,620.00	-	No	SRF Foundation	CSR00000733
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	3,114,270.00	-	No	Aspire Action Trust	CSR00002284
37	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	4,275,000.00	-	No	Teach To Lead	CSR00002271

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 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
38	My Quest	(ii)	Yes	Karnataka, Telangana, Tamil Nadu, Odisha & Gujarat	Bengaluru, Hyderabad, Chennai, Trichy, Salem Bhubandeshwar & Gandhinagar	1 Year	1,482,075.00	-	No	Quest Alliance	CSR00001110
39	The Apprentice Project	(ii)	Yes	Maharashtra	Mumbai & Pune	1 Year	720,000.00	-	No	Mentor Me Foundation	CSR00001497
40	The Pi Lab Project	(ii)	Yes	Maharashtra	Mumbai & Pune	1 Year	2,462,711.00	-	No	Pi-Jam Foundation	CSR00002401
41	School of Coding Program	(ii)	Yes	Maharashtra, Tamil Nadu & Telengana	Mumbai, Pune, Chennai & Hyderabad	3 Years	9,460,000	-	No	NASSCOM Foundation	CSR00000689
42	The Grand Challenge for Ideas and Innovation for Telengana	(ix) (a)	Yes	Telangana	Hyderabad	3 Years	9,768,000	-	No	NASSCOM Foundation	CSR00000689
43	Digital Academy	(ii)	Yes	Maharashtra	Pune	3 Years	11,502,225.00	-	No	Friends Union For Energising Lives	CSR00000051
44	Digital Academy	(ii)	Yes	Maharashtra	Pune	3 Years	8,483,508.00	-	No	Symbiosis Open Education Society	CSR00007546
45	Technology Enabled Learning for Teachers & Adolescents for 21st century (TELTA 21)	(ii)	Yes	Maharashtra	Mumbai	3 Years	5,699,808.00	-	No	TATA Institute of Social Sciences	CSR00003475
46	Incubation and Innovation of Agri & Allied Tech Solutions	(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	7,260,000.00	-	No	Agricultural Development Trust	CSR00001043
47	Coding for Girls	(ii)	Yes	Telangana	Hyderabad	1 Year	628,633.00	-	No	SRF Foundation	CSR00000733
48	Coding for Girls	(ii)	Yes	Haryana, Uttar Pradesh	Gurugram, Noida	1 Year	1,263,890.00	-	No	SRF Foundation	CSR00000733
49	School Adoption Program	(ii)	Yes	Tamil Nadhu	Trichy & Salem	3 Years	-10,097,317.00	-	No	Hope Foundation	CSR00000472
50	Digital Academy	(ii)	Yes	Maharashtra	Mumbai	3 Years	-206,276.00	-	No	Pratham InfoTech Foundation	CSR00002475
51	From Tools to School - Scaling down child labour	(ii)	Yes	Maharashtra	Mumbai	3 Years	-1,706,550.00	-	No	Association for Voluntary Action	CSR00002206
52	Sponsorship of Entrepreneurship Awareness Drive 2021	(ix) (b)	Yes	West Bengal	Kharagpur	1 Year	400,000.00	-	No	Indian Institute Of Technology Kharagpur	-
	<b>Total</b>						<b>335,889,485.00</b>				



**(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, Tamil Nadu, Telangana, West Bengal, Gujarat, Haryana, Uttar Pradesh	Mumbai, Pune, Bengaluru, Chennai, Trichy, Salem, Hyderabad, Kolkata, Gandhinagar, Gurugram & Noida NCR	50,830,500.00	No	Global Compact Network	CSR00006252
2	Covid Relief	(xii)	Yes	Maharashtra, Karnataka, Tamil Nadu, Telangana, West Bengal, Gujarat, Haryana, Uttar Pradesh	Mumbai, Pune, Bengaluru, Chennai, Trichy, Salem, Hyderabad, Kolkata, Gandhinagar, Gurugram & Noida NCR	34,080,000.00	No	Impact Foundation	CSR00001920
3	Covid Relief	(xii)	Yes	Maharashtra, Karnataka, Tamil Nadu, Telangana, West Bengal, Gujarat, Haryana, Uttar Pradesh	Mumbai, Pune, Bengaluru, Chennai, Trichy, Salem, Hyderabad, Kolkata, Gandhinagar, Gurugram & Noida NCR	185,305,598.00	Yes	BPL Medical Technologies Private Limited	Not Applicable
4	Covid Relief	(xii)	Yes	Karnataka, Tamil Nadu, Uttar Pradesh, Haryana	Bengaluru, Chennai, Gorakhpur, Chandauli & Gurugram	184,116,655.00	Yes	Uttam Air Products Private Limited	Not Applicable
5	Covid Relief	(xii)	Yes	Maharashtra, Telangana, West Bengal, Uttar Pradesh	Mumbai, Pune, Hyderabad, Kolkata & Noida	70,178,272.00	Yes	Skaray Technologies Private Limited	Not Applicable
6	Covid Relief	(xii)	Yes	Maharashtra, Telangana, West Bengal	Mumbai, Pune, Hyderabad & Kolkata	35,013,827.00	Yes	Beam Innovations And Technologies	Not Applicable
7	Covid Relief	(xii)	Yes	Maharashtra	Mumbai	17,136,000 .00	Yes	Ador Powertron Limited	Not Applicable
8	Covid Relief	(xii)	Yes	Maharashtra, Telangana, West Bengal	Mumbai, Pune, Hyderabad & Kolkata	11,192,890.00	Yes	Roche Diagnostics India Private Limited	Not Applicable
9	Covid Relief	(xii)	Yes	Maharashtra	Beed	1,390,190.00	Yes	Cloudphysician Healthcare Private Limited	Not Applicable
10	Covid Relief	(xii)	Yes	Maharashtra	Mumbai, Pune	312,105.00	Yes	Neon Marketing	Not Applicable
11	Covid Relief	(xii)	Yes	West Bengal	Kolkata	1,283,223.00	Yes	Unique Diagnostic & Scientific	Not Applicable
	<b>Total</b>					<b>590,839,260.00</b>			

(d) Amount spent in Administrative Overheads		24,609,683
(e) Amount spent on Impact Assessment, if applicable		1,034,000
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)		952,372,428
(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)	447,575,007
(ii)	Total amount spent for the Financial Year	952,372,428
(iii)	Excess amount spent for the financial year [(ii)-(i)]	504,797,421
(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)]	-

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
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	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**

**Kalpana Rao**

Independent Director & Chairperson of CSR Committee

DIN: 07093566

Place: Bengaluru

**Ashwin Yardi**

Wholtime Director & Chief Executive Officer

DIN: 07799277

Place: Mumbai

Date : 02 August 2022

## 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 of March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
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, 2022, 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 is sufficient and appropriate to provide a basis for our opinion.

### Other Information

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

Our opinion on the 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 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 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 financial statements

5. 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.
6. In preparing the 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 financial statements

7. 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 financial statements.
8. 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. 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.
9. 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.
10. 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

11. The Financial statements for the period ended October 21, 2020 to March 31, 2021 of Solcen Technologies Private Limited, which is merged with the company with effect from October 21, 2020, were unaudited and have been furnished to us by the Management (Refer note 35(a) to the Standalone Financial Statements).

Our opinion is not modified in respect of above matter.

## Report on other legal and regulatory requirements

12. As required by the Companies (Auditor's Report) Order, 2020 ("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.
13. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 41 to the standalone financial statements;
  - ii. The Company has long term contracts including derivative contracts as at March 31, 2022 for which there were no 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, 2022.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year.
- 14. 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. Our opinion is not modified in respect of above matters.

**For Price Waterhouse Chartered Accountants LLP**

*Firm Registration Number: 012754N/N500016*

**Jeetendra Mirchandani**

*Partner*

Membership No. 048125

UDIN: 22048125AOAWUS4569

Place: Pune

Date: 02 August 2022

## Annexure A to Independent Auditors' Report

**Referred to in paragraph 13(f) of the Independent Auditor's Report of even date to the members of Capgemini Technology Services India Limited on the standalone financial statements for the year ended March 31, 2022**

### **Report on the Internal Financial Controls with reference to 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 financial statements of Capgemini Technology Services India Limited ("the Company") as of March 31, 2022 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to financial statements**

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

### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

## Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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 issued by ICAI.

For **Price Waterhouse Chartered Accountants LLP**

*Firm Registration Number: 012754N/N500016*

**Jeetendra Mirchandani**

*Partner*

Membership No. 048125

UDIN: 22048125AOAWUS4569

Place: Pune

Date: 02 August 2022

## Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Capgemini Technology Services India Limited on the standalone financial statements as of and for the year ended March 31, 2022

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment 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 Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3(b) to the standalone financial statements, are held in the name of the Company, except for the following:

Particulars	Gross carrying value as at March 31, 2022 (Amount in INR millions)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
Leasehold land	120	M/s Patni Computer Systems Ltd	No	10-Feb-09	Said land at Hyderabad -Kokapeth was acquired by erstwhile Patni Computer Systems Ltd which was merged with IGATE Global Solutions Ltd, subsequently the name of IGATE Global Solutions Ltd was changed to Capgemini Technology Services India Limited.
Leasehold land	2	M/s Data Cube Solutions Pvt Ltd	No	10-Apr-15	Said land at Bhubaneswar was acquired by M/s Data Cube Solutions Pvt Ltd., subsequently the name of M/s Data Cube Solutions Pvt Ltd was changed to Tcube Software Solutions Ltd which was merged with Capgemini Technology Services India Limited.
Leasehold land	75	M/s Capgemini India Pvt Ltd	No	01-Jul-15	Said land at Pune was originally held in name of Capgemini India Pvt Ltd later said company merged with IGATE Global Solutions Ltd and subsequently there was a name change from IGATE Global Solutions Ltd to Capgemini Technology Services India Limited.
Building	72	M/s Patni Computer Systems Ltd	No	12-Mar-18	Said one guest house at Mumbai was acquired by erstwhile Patni Computer Systems Ltd which was merged with IGATE Global Solutions Ltd, subsequently the name of IGATE Global Solutions Ltd was changed to Capgemini Technology Services India Limited.
Building	39	M/s Patni Computer Systems Ltd	No	15-May-11	Said one guest house at Mumbai was acquired by erstwhile Patni Computer Systems Ltd which was merged with IGATE Global Solutions Ltd, subsequently the name of IGATE Global Solutions Ltd was changed to Capgemini Technology Services India Limited.



Particulars	Gross carrying value as at March 31, 2022 (Amount in INR millions)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
Building	41	M/s Patni Computer Systems Ltd	No	15-May-11	Said one guest house at Mumbai was acquired by erstwhile Patni Computer Systems Ltd which was merged with IGATE Global Solutions Ltd, subsequently the name of IGATE Global Solutions Ltd was changed to Capgemini Technology Services India Limited.
Building	41	M/s Patni Computer Systems Ltd	No	15-May-11	Said one guest house at Mumbai was acquired by erstwhile Patni Computer Systems Ltd which was merged with IGATE Global Solutions Ltd, subsequently the name of IGATE Global Solutions Ltd was changed to Capgemini Technology Services India Limited.

- (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- (ii) (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- (iii) (a) The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- (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 sections 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits 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, except for dues in respect of i) Employee state insurance dues with few cases having slight delays and ii) Provident fund where there have been serious delays in few cases, the Company is regular in depositing undisputed statutory dues, including income tax, sales tax, service tax, duty of customs, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate

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authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2022, 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	0.03	Jul-21	15-Aug-21	11-Apr-22
		0.03	Aug-21	15-Sep-21	11-Apr-22
		0.01	May-21	15-Jun-21	11-Apr-22
		0.07	Jan-20	15-Feb-21	2-Apr-22
		0.00	Feb-20	15-Mar-20	2-Apr-22
		0.00	Apr-20	15-May-21	10-Apr-22
		0.08	Apr-20	15-May-21	2-Apr-22
		0.03	Jun-20	15-Jul-20	2-Apr-22
		0.00	Jun-20	15-Jul-21	11-Apr-22
		0.04	Jul-20	15-Aug-20	2-Apr-22
		0.01	Aug-20	15-Sep-21	10-Apr-22
		0.23	Aug-20	15-Sep-21	2-Apr-22
		0.06	Dec-20	15-Jan-21	2-Apr-22
		0.01	Mar-21	15-Apr-20	2-Apr-22
		0.00	May-21	15-Jun-21	10-Apr-22
		0.16	May-21	15-Jun-21	2-Apr-22
		0.18	Jun-21	15-Jul-21	2-Apr-22
		0.12	Sep-20	15-Oct-20	2-Apr-22
		0.04	Oct-20	15-Nov-20	2-Apr-22
		0.11	Nov-20	15-Dec-20	2-Apr-22
		0.09	Feb-21	15-Mar-21	2-Apr-22
		0.06	Mar-21	15-Apr-21	2-Apr-22
		0.20	Jul-21	15-Aug-21	2-Apr-22
		0.01	Apr-20	15-May-20	2-Apr-22
		0.01	May-20	15-Jun-20	2-Apr-22
		0.03	Aug-20	15-Sep-20	2-Apr-22
		73.51	Period from April 2021 to March 2022	15th of subsequent months	Yet to be paid

Also refer note 41 B(ii) to the standalone financial statements regarding management assessment on certain matters relating to Provident fund.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of duty of excise, goods and service tax as referred to in sub-clause (a) which have not been deposited on account of any dispute. The particulars of income tax, sales tax, service tax, works contract tax, duty of customs and value added tax referred to in sub-clause (a) as at March 31, 2022 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 AY 2010-11	Assistant Commissioner Income Tax, Chennai
Income-Tax Act, 1961	Income Tax	6	-	AY 2008-09, AY 2014-15 & AY 2016-17	Assistant Commissioner Income Tax, Delhi
Income-Tax Act, 1961	Income Tax	*	-	AY 2016-17	Assistant Commissioner Income Tax, Hyderabad
Income-Tax Act, 1961	Income Tax	52	-	AY 2010-11, AY 2017-18, AY 2018-19 & AY 2020-21	Commissioner Income Tax (Appeals)
Income-Tax Act, 1961	Income Tax	57	-	AY 2007-08, AY 2008-09, AY 2011-12, AY 2013-14, AY 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	AY2005-06 & AY 2006-07	Commissioner Income Tax (Appeals), Mumbai
Income-Tax Act, 1961	Income Tax	1,591	388	AY 2009-10, AY 2010-11, AY 2013-14, AY 2015-16 till AY 2020-21	Commissioner Income Tax (Appeals), Pune
Income-Tax Act, 1961	Income Tax	953	155	AY 2009-10 to AY 2011-12, AY 2015-16	Deputy Commissioner Income Tax, Pune
Income-Tax Act, 1961	Income Tax	16	10	AY 2007-08 & AY 2008-09	High Court Andhra Pradesh
Income-Tax Act, 1961	Income Tax	3,595	115	AY 2002-03, AY 2003-04; AY 2006-07 to AY 2012-13	High Court Bombay
Income-Tax Act, 1961	Income Tax	17	4	AY 2010-11 to AY 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 & AY 2011-12	Income Tax Appellate Tribunal, Mumbai
Income-Tax Act, 1961	Income Tax	43,470	8,402	AY 2012-13 to AY 2017-18	Income Tax Appellate Tribunal, Pune
Income-Tax Act, 1961	Income Tax	19	18	AY 2005-06 & AY 2013-14	Income tax officer, Hyderabad
Income-Tax Act, 1961	Income Tax	2,464	-	AY 2002-03 till AY 2009-10	Supreme Court
West Bengal VAT	Sales tax	226	-	FY 2008-09 to FY 2009-10	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	902	93	FY 2011-12 to FY 2013-14 and FY 2015-16	Mumbai Tribunal
Maharashtra VAT/CST	Sales Tax	796	42	FY 2014-15 and FY 2016-17	Deputy Commissioner Sales Tax (Appeal )
Maharashtra VAT/CST	Sales Tax	786	25	FY 2013-14 to FY 2017-18	Joint Commissioner (Appeals)
Delhi VAT/ CST	Sales Tax	3	-	FY 2012-13 to FY 2014-15	Commissioner (Appeals)
UP VAT/ CST	Sales Tax	4	*	FY 2010-11 and FY 2014-15	Joint Commissioner (Appeal)
UP VAT/ CST	Sales Tax	36	9	FY 2015-16 to FY 2016-17	Additional Commissioner (Appeals)
TL VAT/ CST	Works Contract Tax	4	-	FY 2013-14	High Court, Telangana
Finance Act, 1994	Service Tax	488	14	FY 2006-07 to FY 2014-15	Custom Excise & Service Tax Appellate Tribunal
Customs Act, 1962	Custom Duty	4	4	FY 1992-93	High Court, Bombay

\* Amount is below the rounding off

- (viii) According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (ix) (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, the Company has not raised funds on short term basis.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company did not have any joint ventures or associate companies during the year.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company did not have any joint ventures or associate companies during the year.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) 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, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) 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, the Company has received whistle blower complaints during the year, which have been considered by us for any bearing on our audit and reporting.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is 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 24 "Related Party Disclosures" specified under Section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 48 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- (xx) As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

**Jeetendra Mirchandani**  
*Partner*

Place: Pune  
Date: 02 August 2022

Membership No. 048125  
UDIN: 22048125AOAWUS4569

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## Balance Sheet as at 31 March 2022

		(Currency : INR in million)	
	Note	31 March 2022	31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	28,688	26,393
Right-of-use assets	4	7,112	8,270
Capital work-in-progress	5	253	110
Goodwill	6	247	247
Other Intangible assets	6	307	246
Financial assets			
Investments	7	43,566	43,021
Others	8	1,212	1,485
Deferred tax assets (net)	9	5,960	8,366
Income tax assets (net)	34	12,953	8,304
Other non-current assets	10	1,451	1,302
<b>Total non-current assets</b>		<b>101,749</b>	<b>97,744</b>
<b>Current assets</b>			
Financial assets			
Investments	11	44,738	37,754
Trade receivables	12	41,812	26,426
Cash and cash equivalents	13	4,452	7,683
Bank balances other than cash and cash equivalents*	14	-	1
Others	15	334	378
Other current assets	16	7,033	4,746
<b>Total current assets</b>		<b>98,369</b>	<b>76,988</b>
<b>TOTAL ASSETS</b>		<b>200,118</b>	<b>174,732</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	591	591
Other equity	18	160,842	142,257
<b>Total equity</b>		<b>161,433</b>	<b>142,848</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	19	5,288	6,074
Others	20	-	68
Provisions	21	5,456	3,544
<b>Total non-current liabilities</b>		<b>10,744</b>	<b>9,686</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade and other payables	22		
- Due to micro and small enterprises		342	12
- Due to other than micro and small enterprises		6,706	4,812
Lease liabilities	23	1,446	1,752
Others	24	4,339	3,254
Other current liabilities	25	5,057	3,816
Provisions	26	8,690	6,825
Income tax liabilities (net)	34	1,361	1,727
<b>Total current liabilities</b>		<b>27,941</b>	<b>22,198</b>
<b>Total liabilities</b>		<b>38,685</b>	<b>31,884</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>200,118</b>	<b>174,732</b>

\*amount below rounding off norm

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

**Ashwin Yardi**

Wholetime Director & Chief Executive Officer

DIN: 07799277

Place: Mumbai

**Armin Billimoria**

Company Secretary

FCS - 8637

Place : Mumbai

Date : 02 August 2022

For and on behalf of the Board of Directors of

**Capgemini Technology Services India Limited**

CIN-U85110PN1993PLC145950

**Kalpna Rao**

Independent Director

DIN: 07093566

Place: Bengaluru

**Sujit Sircar**

Chief Financial Officer

Place : Bengaluru

Place : Pune

Date : 02 August 2022

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## Statement of Profit and Loss for the year ended 31 March 2022

(Currency : INR in million)

	Note	31 March 2022	31 March 2021
Revenue from operations	27	199,043	149,880
Other income	28	2,535	3,591
<b>Total income</b>		<b>201,578</b>	<b>153,471</b>
<b>Expenses</b>			
Employee benefit expense	29	144,863	107,095
Finance costs	30	583	720
Depreciation and amortisation expense	31	7,326	6,800
Other expenses	32	21,347	15,788
<b>Total expenses</b>		<b>174,119</b>	<b>130,403</b>
<b>Profit before tax</b>		<b>27,459</b>	<b>23,068</b>
<b>Tax Expense</b>	34		
Current tax		7,890	5,863
Deferred tax		(658)	2,403
<b>Profit for the year</b>		<b>20,227</b>	<b>14,802</b>
<b>Other comprehensive income / (loss)</b>	33		
<b>(i) Items that will not be reclassified subsequently to Statement of Profit and Loss</b>			
Remeasurements of post-employment benefit obligations (Net)		(2,154)	3,447
Income tax relating to above item		652	(862)
<b>(ii) Items that will be reclassified subsequently to Statement of Profit and Loss</b>			
Net gains on cash flow hedges		14	194
Income tax relating to above item		(4)	(67)
Exchange differences on translation of foreign operations		-	10
<b>Total other comprehensive income / (loss), net of tax</b>		<b>(1,492)</b>	<b>2,722</b>
<b>Total comprehensive income for the year</b>		<b>18,735</b>	<b>17,524</b>
<b>Earnings per equity share</b>			
Basic and diluted earnings per equity share (face value of Rs. 10 each)	39	342.02	250.29

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

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

**Kalpna Rao**  
Independent Director  
DIN: 07093566  
Place: Bengaluru

Place : Pune  
Date : 02 August 2022

**Armin Billimoria**  
Company Secretary  
FCS - 8637  
Place : Mumbai  
Date : 02 August 2022

**Sujit Sircar**  
Chief Financial Officer  
Place : Bengaluru

## Statement of Cash Flows for the year ended 31 March 2022

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>A. Cash flows from operating activities</b>		
Profit before tax	27,459	23,068
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	7,326	6,800
Income on mutual funds	(1,809)	(2,687)
Profit on sale of non - current investments	(65)	(4)
Provisions no longer required written back	(15)	(12)
Provision for doubtful trade receivables written (back) / off	(215)	(242)
Bad trade receivables written off	179	319
Other provision	-	166
Provision for doubtful security deposits	(14)	60
Profit on sale / disposal of assets (net)	(177)	(166)
Interest on deposits with banks	(99)	(556)
Other interest income (including interest on income tax and service tax refunds)	(18)	(10)
Interest expense on income tax	72	78
Interest on lease obligations	509	639
Interest under MSMED Act, 2006	2	3
Employee stock compensation expense	1,337	1,172
Unrealised foreign currency (gain)/loss (net)	(31)	160
Other miscellaneous income	(53)	-
<b>Operating profit before working capital changes</b>	<b>34,388</b>	<b>28,788</b>
<b>Changes in working capital</b>		
Increase / (decrease) in trade and other payables	2,198	(987)
Increase / (decrease) in other current financial liabilities	847	(2)
Increase in other liabilities	1,237	576
Increase / (decrease) in provisions	1,623	(185)
Increase in trade receivables	(15,345)	(1,815)
Decrease in non-current assets	73	150
(Increase) / decrease in other current assets	(2,287)	3,631
Decrease / (increase) in other financial assets	297	(251)
<b>Cash generated from operations</b>	<b>23,031</b>	<b>29,905</b>
Taxes paid, net	(9,265)	(5,281)
<b>Net cash generated from operating activities</b>	<b>13,766</b>	<b>24,624</b>
<b>B. Cash flows from investing activities</b>		
Purchase of tangible and intangible assets	(8,098)	(3,764)
Proceed from sale of tangible and intangible assets	165	110
Purchase of non-current investments	(681)	(43,490)
Proceed from sale of non-current investments	182	8
Purchase of current investments	(184,807)	(178,946)
Proceed from sale of current investments	179,632	197,479
Proceeds from margin money deposits	-	1
Loan repaid by related party	-	161
Interest received on fixed deposits	183	751
<b>Net cash used in investing activities</b>	<b>(13,424)</b>	<b>(27,690)</b>



## Statement of Cash Flows for the year ended 31 March 2022 (continued)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>C. Cash flows from financing activities</b>		
Interest on lease obligations	(509)	(639)
Payment towards share based payment liability	(1,487)	(944)
Payment of lease liabilities	(1,616)	(1,752)
<b>Net cash used in financing activities</b>	<b>(3,612)</b>	<b>(3,335)</b>
<b>Net decrease in cash and cash equivalents (A + B + C)</b>	<b>(3,270)</b>	<b>(6,401)</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalent	39	(20)
Add: Addition on account of merger (refer note 35)	-	1,427
Cash and Cash equivalents at the beginning of the year	7,683	12,677
<b>Cash and Cash equivalents at the end of the year</b>	<b>4,452</b>	<b>7,683</b>

Notes :

- Reconciliation of cash and cash equivalents:**  
*Cash and cash equivalents comprise of:*

Current accounts	920	603
EEFC accounts	662	1,817
Deposit accounts	2,870	5,263
<b>Cash and Cash equivalents at the end of the year</b>	<b>4,452</b>	<b>7,683</b>
- 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.
- For non-cash investing activity, refer additions to right-of-use assets in note 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

**Jeetendra Mirchandani**  
*Partner*  
 Membership No: 048125

Place : Pune  
 Date : 02 August 2022

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

**Armin Billimoria**  
*Company Secretary*  
 FCS - 8637  
 Place : Mumbai  
 Date : 02 August 2022

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

**Kalpna Rao**  
*Independent Director*  
 DIN: 07093566  
 Place: Bengaluru

**Sujit Sircar**  
*Chief Financial Officer*  
 Place : Bengaluru

## Statement of Changes in Equity (SOCIE) for the year ended 31 March 2022

(Currency : INR in million)

### (a) Equity share capital

	31 March 2022	31 March 2021
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											Total Other equity
	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	Cash flow hedging reserve	Exchange differences on translation of foreign operations	Remeas-urements of post-employ-ment benefit obligations	
Balance as at 31 March 2020	5	1	872	336	1,570	730	296	124,829	(127)	(10)	(3,371)	125,131
Addition on account 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
ESOP previously classified as liability awards now classified as equity awards (refer note 44 )	-	-	-	-	-	1,281	-	-	-	-	-	1,281
Recharge of share based payment from ultimate parent company	-	-	-	-	-	(514)	-	(430)	-	-	-	(944)
Utilisation from Special Economic Zone re-investment reserve	-	-	-	-	-	-	(113)	113	-	-	-	-
Transferred to Special Economic Zone re-investment Reserve (during previous year it includes an amount of Rs. 130 for the year 2019-20)	-	-	-	-	-	-	480	(480)	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	14,802	-	-	-	14,802
Other comprehensive income for the year	-	-	-	-	-	-	-	-	127	10	2,585	2,722
Total comprehensive income for the year	-	-	-	-	-	-	-	14,802	127	10	2,585	17,524
Balance at 31 March 2021	5	1	913	336	1,585	2,669	663	136,871	-	-	(786)	142,257

## Statement of Changes in Equity (SOCIE) for the year ended 31 March 2022 (continued)

(Currency : INR in million)

Particulars	Attributable to the equity holders of the Company											Total Other equity
	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	Remeas-urements of post-employ-ment benefit obligations	
Balance as at 31 March 2021	5	1	913	336	1,585	2,669	663	136,871	-	-	(786)	142,257
Employee stock compensation expense for the year (refer note 44)	-	-	-	-	-	1,337	-	-	-	-	-	1,337
Recharge of share based payment from ultimate parent company	-	-	-	-	-	(556)	-	(931)	-	-	-	(1,487)
Utilisation from Special Economic Zone re-investment reserve	-	-	-	-	-	-	(182)	182	-	-	-	-
Transferred to Special Economic Zone re-investment Reserve	-	-	-	-	-	-	664	(664)	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	20,227	-	-	-	20,227
Other comprehensive income for the year	-	-	-	-	-	-	-	-	10	-	(1,502)	(1,492)
Total comprehensive income for the year	-	-	-	-	-	-	-	20,227	10	-	(1,502)	18,735
Balance at 31 March 2022	5	1	913	336	1,585	3,450	1,145	155,685	10	-	(2,288)	160,842

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

**Ashwin Yardi**

Wholetime Director & Chief Executive Officer

DIN: 07799277

Place: Mumbai

**Kalpna Rao**

Independent Director

DIN: 07093566

Place: Bengaluru

**Armin Billimoria**

Company Secretary

FCS - 8637

Place : Mumbai

Date : 02 August 2022

**Sujit Sircar**

Chief Financial Officer

Place : Bengaluru

Place : Pune

Date : 02 August 2022

## Notes forming part of standalone financial statements

(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 and United Kingdom. IT services and IT-enabled operations offshore outsourcing solutions are delivered using the offshore centres located in Bengaluru, Bhubaneswar, Chennai, Delhi, Gandhinagar, Gurugram, Hyderabad, Kolkata, Mumbai, Noida, Pune, Salem and Trichy 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 Solcen Technologies Private Limited (STPL) with the Company was approved by the National Company Law Tribunal, Mumbai (NCLT) on 11 March 2022. These financial statements include the impact of the aforementioned Scheme of Amalgamation as further explained in note 35.

During the previous year, 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 2021:

- Extension of COVID-19 related concessions - amendments to Ind AS 116
- Interest Rate Benchmark Reform - amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures and Ind AS 116, Leases.

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.

New amendments issued but not effective to the Company

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

#### 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.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

### Revenue recognition

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

### Taxes

The Company provides for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions 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.

### 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, 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.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

### 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.

### 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.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration does not meet the definition of a financial instrument it is classified as equity and 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

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

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 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:

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 forming part of standalone financial statements (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 property, plant and equipment 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.



## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

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 relationships	5 years
Non-compete	3 years

### 2.10 Leases

#### (a) Company as a lessee

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.

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 liability 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.

#### (b) Company as a lessor

Leases for which the Company 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.

For operating leases, rental income is recognized based on contract terms.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

### 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.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

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.

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.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

### 2.14 Foreign currency transactions and balances

#### **Initial recognition**

The Company 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.

#### **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.

#### **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 (upto 30 June 2021)**

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 employees covered in 2.15 (a) above, from 1 July 2021 onwards, monthly provident fund contributions are remitted to the Regional Provident Fund Commissioner, a Government authority.

In respect of other employees of the Company, monthly provident fund contributions are remitted to the Regional Provident Fund Commissioner, a Government authority for the entire year. 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 liability or asset recognised in the balance sheet in respect of this plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The present value of the obligation under such benefit plan is determined based on an actuarial valuation using the Projected Unit Credit Method.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

The discount rates used for determining the present value are based on the market yields on Government securities as at the balance sheet date. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. All other 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.

### **(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. 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**

### **Performance and employment linked share plan**

Capgemini SE, the ultimate parent company has 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 previous 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.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

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.

#### *Provision for site restoration*

The Company records a provision for site restoration costs to be incurred for the restoration of leased building at the end of the lease period. Site restoration costs are provided at expected costs to settle the obligation and are recognised under other current assets. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

### *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.

### **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**

##### **Classification**

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



## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

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

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

### Financial assets: Subsequent measurement and gains and losses

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

### Financial liabilities: Classification, subsequent measurement and gains and losses

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

### (iii) Derecognition

#### Financial assets

The 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 such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposure. The counter party for these contracts is generally a bank.

The use of foreign currency forward contracts 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.



## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

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 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 'Cash flow hedging reserve'. 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;

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

- 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 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.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

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

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

### 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. 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.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

### 3 Property, plant and equipment

	Freehold land	Buildings (refer note b)	Computers	Office equipment	Furniture and fixtures	Leasehold improvements	Vehicles	Total
<b>Gross block</b>								
Balance as at 1 April 2020	269	19,682	13,173	12,472	8,192	3,476	109	57,373
Addition on account of merger*	-	-	137	38	16	146	-	337
Additions	-	277	2,604	455	339	140	-	3,815
Disposals	-	(13)	(751)	(217)	(99)	(220)	(2)	(1,302)
At 31 March 2021	269	19,946	15,163	12,748	8,448	3,542	107	60,223
Additions	-	97	6,625	983	79	22	-	7,806
Disposals	-	(1)	(1,876)	(288)	(206)	(714)	(13)	(3,098)
<b>At 31 March 2022</b>	<b>269</b>	<b>20,042</b>	<b>19,912</b>	<b>13,443</b>	<b>8,321</b>	<b>2,850</b>	<b>94</b>	<b>64,931</b>
<b>Accumulated depreciation</b>								
Balance as at 1 April 2020	-	(3,928)	(10,245)	(8,585)	(5,105)	(2,363)	(104)	(30,330)
Addition on account of merger*	-	-	(61)	(13)	(9)	(55)	-	(138)
Charge for the year	-	(616)	(2,104)	(1,023)	(526)	(361)	(2)	(4,632)
Disposals	-	8	749	201	94	216	2	1,270
At 31 March 2021	-	(4,536)	(11,661)	(9,420)	(5,546)	(2,563)	(104)	(33,830)
Charge for the year	-	(621)	(2,947)	(1,047)	(482)	(277)	-	(5,374)
Disposals	-	1	1,872	273	186	616	13	2,961
<b>At 31 March 2022</b>	<b>-</b>	<b>(5,156)</b>	<b>(12,736)</b>	<b>(10,194)</b>	<b>(5,842)</b>	<b>(2,224)</b>	<b>(91)</b>	<b>(36,243)</b>
<b>Net block</b>								
At 31 March 2021	269	15,410	3,502	3,328	2,902	979	3	26,393
<b>At 31 March 2022</b>	<b>269</b>	<b>14,886</b>	<b>7,176</b>	<b>3,249</b>	<b>2,479</b>	<b>626</b>	<b>3</b>	<b>28,688</b>

\* merger of LHA, LHI and Solcen (refer note 35)

(a) The Company has not revalued its Property, plant & equipment during current and previous year.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

(b) Title deeds of immovable properties not held in the name of the company  
Description of item of property as at 31 March 2021 and 31 March 2022

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since	Reason for not being held in the name of the company
Leasehold land	120	M/s Patni Computer Systems Ltd	No	10-Feb-09	Said land at Hyderabad - Kokapeth was acquired by erstwhile Patni Computer Systems Ltd which was merged with IGATE Global Solutions Ltd, subsequently the name of IGATE Global Solutions Ltd was changed to Capgemini Technology Services India Limited
Leasehold land	2	M/s Data Cube Solutions Pvt Ltd	No	10-Apr-15	Said land at Bhubaneswar was acquired by M/s Data Cube Solutions Pvt Ltd., subsequently the name of M/s Data Cube Solutions Pvt Ltd was changed to Tcube Software Solutions Ltd which was merged with Capgemini Technology Services India Limited
Leasehold land	75	M/s Capgemini India Pvt Ltd	No	01-Jul-15	Said land at Pune was originally held in name of Capgemini India Pvt Ltd later said company merged with IGATE Global Solutions Ltd and subsequently there was a name change from IGATE Global Solutions Ltd to Capgemini Technology Services India Limited
Building	72	M/s Patni Computer Systems Ltd	No	12-Mar-18	Said one guest house at Mumbai was acquired by erstwhile Patni Computer Systems Ltd which was merged with IGATE Global Solutions Ltd, subsequently the name of IGATE Global Solutions Ltd was changed to Capgemini Technology Services India Limited
Building	121	M/s Patni Computer Systems Ltd	No	15-May-11	Said three guest houses at Mumbai was acquired by erstwhile Patni Computer Systems Ltd which was merged with IGATE Global Solutions Ltd, subsequently the name of IGATE Global Solutions Ltd was changed to Capgemini Technology Services India Limited

## Notes forming part of standalone financial statements (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 3(b))	Lease Building	Lease Computer Equipment	Lease Vehicles	Total
<b>Gross Block</b>					
Balance as at 1 April 2020	1,445	9,620	48	34	11,147
Addition on account of merger*	-	423	-	-	423
Additions	-	1,544	-	-	1,544
Movement on account of lease modification	-	(298)	-	-	(298)
Disposals / termination	-	(1,149)	(17)	(7)	(1,173)
<b>At 31 March 2021</b>	<b>1,445</b>	<b>10,140</b>	<b>31</b>	<b>27</b>	<b>11,643</b>
Additions	-	1,251	-	109	1,360
Disposals / termination	-	(1,844)	(31)	(4)	(1,879)
<b>At 31 March 2022</b>	<b>1,445</b>	<b>9,547</b>	<b>-</b>	<b>132</b>	<b>11,124</b>
<b>Accumulated depreciation</b>					
Balance as at 1 April 2020	(17)	(1,856)	(30)	(18)	(1,921)
Addition on account of merger*	-	(130)	-	-	(130)
Charge for the year	(17)	(1,981)	(14)	(10)	(2,022)
Disposals / termination	-	677	17	6	700
<b>At 31 March 2021</b>	<b>(34)</b>	<b>(3,290)</b>	<b>(27)</b>	<b>(22)</b>	<b>(3,373)</b>
Charge for the year	(17)	(1,801)	(4)	(11)	(1,833)
Disposals / termination	-	1,160	31	3	1,194
<b>At 31 March 2022</b>	<b>(51)</b>	<b>(3,931)</b>	<b>-</b>	<b>(30)</b>	<b>(4,012)</b>
<b>Net Block</b>					
At 31 March 2021	1,411	6,850	4	5	8,270
<b>At 31 March 2022</b>	<b>1,394</b>	<b>5,616</b>	<b>-</b>	<b>102</b>	<b>7,112</b>

\*merger of LHA, LHI and Solcen (refer note 35)

### Amounts recognised in Statement of Profit and Loss

Particulars	31 March 2022	31 March 2021
Gain on lease termination / modifications	151	110
Amortisation of right-of-use assets	1,833	2,022
Interest on lease liabilities	509	639
Expenses relating to short-term lease	8	11

### Amounts recognised in Statement of Cash Flows

Particulars	31 March 2022	31 March 2021
Interest on lease obligations	(509)	(639)
Payment of lease liabilities	(1,616)	(1,752)

### Notes:

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

The weighted average incremental borrowing rate of 7.04% have been applied to lease liabilities recognised in the balance sheet at the date of initial application.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

### 5 Capital work-in-progress

Balance as at 1 April 2020	666
Additions	3,317
Capitalisation	(3,873)
At 31 March 2021	110
Additions	8,131
Capitalisation	(7,988)
<b>At 31 March 2022</b>	<b>253</b>

(a) Ageing of projects in progress and projects temporarily suspended:

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	253	-	-	-	253
Projects temporarily suspended	-	-	-	-	-
<b>As at 31 March 2022</b>	<b>253</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>253</b>
Projects in progress	110	-	-	-	110
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2021	110	-	-	-	110

(b) There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

### 6 Other Intangible assets

	Computer software	Customer Relationships <sup>1</sup>	Non-Compete <sup>1</sup>	Total other Intangible assets	Goodwill <sup>1</sup>
<b>Gross block</b>					
Balance as at 1 April 2020	3,137	-	-	3,137	-
Addition on account of merger <sup>2</sup>	8	114	65	187	247
Additions	58	-	-	58	-
At 31 March 2021	3,203	114	65	3,382	247
Additions	182	-	-	182	-
Disposals	(4)	-	-	(4)	-
<b>At 31 March 2022</b>	<b>3,381</b>	<b>114</b>	<b>65</b>	<b>3,560</b>	<b>247</b>
<b>Amortisation</b>					
Balance as at 1 April 2020	(2,985)	-	-	(2,985)	-
Addition on account of merger <sup>2</sup>	(5)	-	-	(5)	-
Charge for the year	(128)	(9)	(9)	(146)	-
At 31 March 2021	(3,118)	(9)	(9)	(3,136)	-
Charge for the year	(74)	(23)	(22)	(119)	-
Disposals	2	-	-	2	-
<b>At 31 March 2022</b>	<b>(3,190)</b>	<b>(32)</b>	<b>(31)</b>	<b>(3,253)</b>	<b>-</b>
<b>Net block</b>					
At 31 March 2021	85	105	56	246	247
<b>At 31 March 2022</b>	<b>191</b>	<b>82</b>	<b>34</b>	<b>307</b>	<b>247</b>

1. Refer note 35(a)

2. Merger of LHA, LHI and Solcen (refer note 35)

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## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>7 Investments</b>		
<b>Non-current</b>		
<b>Investment carried at cost</b>		
<i>Quoted debt instruments</i>		
<b>Investment in secured debentures</b>		
6.75% Piramal Capital & Housing Finance Limited	202	-
[207,330 (31 March 2021 - Nil) units of Rs. 975 each]		
<b>Unquoted debt instrument</b>		
<b>Investment in secured debentures</b>		
8.3% IL&FS Limited	50	-
[200,000 (31 March 2021 - Nil) units of Rs. 1,000 each]		
8.7% IL&FS Financial Services Limited	125	-
[500,000 (31 March 2021 - Nil) units of Rs. 1,000 each]		
8.85% Reliance Capital Limited	1	-
[2 (31 March 2021 - Nil) units of Rs. 1,000,000 each]		
9% IL&FS Limited	138	-
[551 (31 March 2021 - Nil) units of Rs. 1,000,000 each]		
9% IL&FS Limited	1	-
[4 (31 March 2021 - Nil) units of Rs. 1,000,000 each]		
9% Reliance Capital Limited	3	-
[10 (31 March 2021 - Nil) units of Rs. 1,000,000 each]		
9.05% IL&FS Limited	25	-
[100 (31 March 2021 - Nil) units of Rs. 1,000,000 each]		
<b>Investment in unsecured debentures</b>		
8.65% IL&FS Financial Services Limited*	-	-
[7,000 (31 March 2021 - Nil) units of Rs. 1,000 each]		
8.9% IL&FS Financial Services Limited*	-	-
[44,000 (31 March 2021 - Nil) units of Rs. 1,000 each]		
9.55% IL&FS Financial Services Limited*	-	-
[6,000 (31 March 2021 - Nil) units of Rs. 1,000 each]		
10.4% Reliance Capital Limited*	-	-
[3 (31 March 2021 - Nil) units of Rs. 1,000,000 each]		
<b>Unquoted equity instruments</b>		
<b>Investment in shares of bank</b>		
The Saraswat Co-operative Bank Limited*	-	-
1,530 (31 March 2021: 1,530) shares of Rs.10 each fully paid up		
The Kapol Co-operative Bank Limited*	-	-
10 (31 March 2021: 10) shares of Rs.10 each fully paid up		
<b>Investment in equity of subsidiaries</b>		
Annik Inc.	1	1
[25,000 (31 March 2021: 25,000) equity shares of USD 1 each fully paid-up]		
Annik UK Ltd.* (Refer note iii below)	-	-
[Nil (31 March 2021: 1,000) equity shares of GBP 1 each fully paid-up]		
Liquidhub Pte Ltd	2	2
[50,100 (31 March 2021 : 50,100) equity shares of SGD 1 each fully paid-up]		
Aricent Technologies (Holdings) Limited	43,018	43,018
[128,906,056 (31 March 2021: 128,906,056) equity shares of Rs. 10 each fully paid-up]		
	<b>43,566</b>	<b>43,021</b>

\* amount below rounding off norm



## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

- (i) 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.
- (ii) The Company acquired 10,000 shares in Solcen Technologies Private Limited (STPL) as per agreement dated 21 October 2020 at Rs. 53,584.89 per share. STPL has been merged into the Company w.e.f. 21 October 2020 (Refer note 35(a))
- (iii) During the year, the Company liquidated its investment in Annik UK Ltd.

	31 March 2022	31 March 2021
<b>Total non-current investments</b>		
Aggregate amount of quoted investments	202	-
Aggregate market value of quoted investments	196	-
Aggregate amount of unquoted investments	43,364	43,021
Aggregate amount of impairment in the value of investments	-	-
	<b>31 March 2022</b>	<b>31 March 2021</b>
<b>8 Other financial assets</b>		
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Security deposits	1,212	1,485
<b>Unsecured, considered doubtful</b>		
Security deposits	65	55
Less: Provision for doubtful deposits	65	55
	<b>1,212</b>	<b>1,485</b>
<b>9 Deferred tax assets (net)</b>		
<b>Deferred tax liabilities</b>		
Cash flow hedges	4	-
Property, plant and equipment and intangible assets	26	-
	<b>30</b>	<b>-</b>
<b>Deferred tax assets</b>		
Property, plant and equipment and intangible assets	-	238
Provisions - employee benefits	3,589	2,845
Provision for doubtful trade receivables	85	172
Merger expenses	33	42
MAT credit carried forward	1,637	4,809
Others	646	260
	<b>5,990</b>	<b>8,366</b>
<b>Net deferred tax asset (refer note 34)</b>	<b>5,960</b>	<b>8,366</b>
<b>10 Other non-current assets</b>		
Capital advances	277	55
Prepaid expenses	329	417
Prepayment of pension liability (refer note 36(b))	25	23
Balances with statutory/government authorities (VAT/ Service tax credit receivable)	799	765
Deferred contract costs	21	42
	<b>1,451</b>	<b>1,302</b>

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>11 Investments</b>		
Nil (31 March 2021 - 352,176) units in Axis Liquid Fund direct plan growth	-	805
Nil (31 March 2021 - 199,961) units in Invesco Liquid Fund - Direct Plan Growth	-	565
Nil (31 March 2021 - 116,984) units in HDFC Liquid Fund Direct Plan Growth Option	-	473
Nil (31 March 2021 - 157,073) units in IDFC Cash Fund -Regular Plan-Growth Direct Plan	-	390
41,102,364 (31 March 2021 - 45,960,176) units in IDFC Low Duration Fund Growth - Direct Plan	1,309	1,409
4,173,920 (31 March 2021 - 4,174,107) units in ICICI Prudential Saving Fund- Direct Plan - Growth	1,827	1,752
1,586,372 (31 March 2021 - 982,937) units in ICICI Prudential Liquid - Growth Direct Plan	500	300
Nil (31 March 2021 - 1,795,545) units in Aditya Birla Sun Life Liquid Fund-Growth - Direct Plan (formerly Aditya Birla Sun Life Cash Plus - Growth Direct Plan)	-	595
Nil (31 March 2021 - 54,285) units in Tata Liquid Fund Direct Plan Growth	-	176
20,919,164 (31 March 2021 - 52,245,319) units in Kotak Savings Fund-Growth - Direct (formerly Kotak Treasury Advantage Direct Plan Growth)	754	1,812
299,373 (31 March 2021 - 262,488) units in HSBC Cash Fund Growth Direct Plan	635	538
17,381,382 (31 March 2021 - 17,381,382) units in HDFC Floating Rate Debt Fund - Short Term Plan Direct Plan Wholesale Option - Growth Option	697	666
788,938 (31 March 2021 - 212,634) units in Axis Treasury Advantage Fund - Direct Growth [ TA- DG ]	2,043	528
10,011,084 (31 March 2021 - 12,913,876) units in ICICI Prudential Money Market Fund - Direct Plan - Growth	3,072	3,813
Nil (31 March 2021 - 53,448) units in Kotak Liquid Direct Plan Growth	-	222
Nil (31 March 2021 - 4,639,352) units in Aditya Birla Sun Life Floating Rate Fund - Growth direct	-	1,256
759,605 (31 March 2021 - 1,362,798) units in Kotak Money Market Fund - Growth - Direct	2,750	4,748
65,405,663 (31 March 2021 - 65,405,663) units in IDFC Corporate Bond Fund Direct Plan- Growth	1,049	999
205,226 (31 March 2021 - 214,176) units in SBI Magnum Ultra Short Duration Fund Direct Growth	1,005	1,011
263,992 (31 March 2021 - 263,992) units in Invesco India Treasury Advantage Fund - Direct Plan Growth	838	806
239,410,073 (31 March 2021 - 149,118,726) units in HDFC Ultra Short Term Fund Direct Growth	2,972	1,780
9,767,562 (31 March 2021 - 4,107,113) units in Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan (formerly known as Aditya Birla Sun Life Floating Rate Fund Short Term Plan)	2,920	1,179
Nil (31 March 2021 - 94,526) units in Nippon India Liquidity Fund Direct Plan Growth Plan Growth Option	-	476
Nil (31 March 2021 - 87,867) units in SBI Liquid Fund Direct Growth	-	283
167,585 (31 March 2021 - 167,585) units in DSP BlackRock Liquidity Fund- Direct Plan Growth	510	493
Nil (31 March 2021 - 7,121) units in Birla sun Life Cash Plus -Growth -Direct Plan	-	2
433,849 (31 March 2021 - 202,068) units in Axis Banking and PSU debt Fund - Direct Growth [ BD- DG ]	949	424
1,992,865 (31 March 2021 - 817,535) units in Axis Money Market Fund Direct Growth	2,295	905
5,254,844 (31 March 2021 - 3,132,477) units in Aditya Birla Sun Life Low Duration Fund Growth Direct	3,039	1,729
318,972 (31 March 2021 - 445,269) units in HDFC Money Market Fund Direct Plan Growth option	1,485	1,992
2,102,935 (31 March 2021 - 1,309,847) units in ICICI Prudential Over Night Fund - Direct Plan -Growth	241	145
21,758,997 (31 March 2021 - 21,758,997) units in IDFC Banking and PSU debt Fund - Direct Plan Growth	444	425
36,480,604 (31 March 2021 - 17,908,678) units in IDFC-Money Manager Fund- Growth Direct Plan	1,274	603
Nil (31 March 2021 - 69,970) units in IDFC CASH FUND GROWTH PLAN [ DIRECT PLAN]	-	174
Nil (31 March 2021 - 120,434) units in Invesco India Corporate Bond Fund - Direct Plan Growth	-	315
979,156 (31 March 2021 - 1,110,742) units in Nippon India money market Fund Direct plan growth plan growth Option	3,281	3,577

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
774,162 (31 March 2021 - 103,564) units in Tata money market Fund Direct plan Growth	2,961	380
Nil (31 March 2021 - 298,644) units in HDFC Medium Term Opportunities Fund - Regular Plan - Growth	-	8
54,164,374 (31 March 2021 - Nil ) units in SBI Savings Fund Direct Plan Growth	1,926	-
174,678 (31 March 2021 - Nil ) units in Kotak Low Duration Fund Direct Growth	507	-
2,652,732 (31 March 2021 - Nil ) units in Aditya Birla Sun Life Savings Fund-Growth - Direct Plan	1,181	-
638,339 (31 March 2021 - Nil ) units in Nippon India Low Duration Fund - Direct Growth Plan	2,023	-
20,222,908 (31 March 2021 - Nil ) units in IDFC Ultra Short Term Fund - Direct Plan - Growth	251	-
	<b>44,738</b>	<b>37,754</b>
<b>Total current investments</b>		
Aggregate amount of quoted investments	44,738	37,754
Aggregate market value of quoted investments	44,738	37,754
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-
<b>12 Trade receivables (unsecured)</b>		
Trade receivables - billed	35,018	25,346
Less: allowance for doubtful receivables	214	272
<b>Considered good</b>	<b>34,804</b>	<b>25,074</b>
Trade receivables - billed	40	203
Less: allowance for doubtful receivables	40	203
<b>Credit impaired</b>	<b>-</b>	<b>-</b>
Trade receivable - unbilled	7,008	1,352
	<b>41,812</b>	<b>26,426</b>
<b>Trade receivables includes:</b>		
Dues from related parties - billed (refer note 38)	30,220	22,137
Dues from related parties - unbilled (refer note 38)	7,008	1,352
Dues from other than related parties	4,584	2,937
	<b>41,812</b>	<b>26,426</b>

In determining the allowance for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for external 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.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

### Ageing of Trade receivables

	Outstanding as on 31 March 2022 from the due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	7,008	33,872	1,023	27	-	-	3	41,933
Disputed Trade receivables – considered good	-	-	-	-	-	-	93	93
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	40	40
	<b>7,008</b>	<b>33,872</b>	<b>1,023</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>136</b>	<b>42,066</b>
Less: Allowance for doubtful trade receivables	-	-	-	-	-	-	-	254
	<b>7,008</b>	<b>33,872</b>	<b>1,023</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>136</b>	<b>41,812</b>

	Outstanding as on 31 March 2021 from the due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	1,352	7,308	17,773	119	-	-	53	26,605
Disputed Trade receivables – considered good	-	-	-	-	-	-	93	93
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	203	203
	<b>1,352</b>	<b>7,308</b>	<b>17,773</b>	<b>119</b>	<b>-</b>	<b>-</b>	<b>349</b>	<b>26,901</b>
Less: Allowance for doubtful trade receivables	-	-	-	-	-	-	-	475
	<b>1,352</b>	<b>7,308</b>	<b>17,773</b>	<b>119</b>	<b>-</b>	<b>-</b>	<b>349</b>	<b>26,426</b>

**31 March 2022**      31 March 2021

### 13 Cash and cash equivalents

Balance with banks :

In current accounts	<b>920</b>	603
In EEFC accounts	<b>662</b>	1,817
In deposit accounts*	<b>2,870</b>	5,263
	<b>4,452</b>	7,683

\*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
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\* amount below rounding off norm

Deposit accounts include restricted bank balances Rs. 0.3 (31 March 2021 Rs. 0.69) held as margin money deposit against guarantee and Rs.0.1 (31 March 2021 Rs. 0.1) held as margin money against Uttar Pradesh VAT.

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## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>15 Other financial assets</b>		
<b>Current</b>		
<b>Unsecured, considered good</b>		
Derivative asset	23	3
Security deposits	174	213
Advance to employees	82	45
Interest accrued on fixed deposit	33	117
Purchase consideration receivable (refer note 35 (a))	22	-
	<b>334</b>	<b>378</b>
<b>Unsecured, considered doubtful</b>		
Security deposits	12	36
Less: Provision for doubtful deposits	12	36
	<b>334</b>	<b>378</b>
<b>16 Other current assets</b>		
Prepaid expenses	3,777	2,214
Balances with Government authorities (GST credit receivable)	212	206
Unbilled revenues	2,787	1,831
Advance to vendors	236	474
Deferred contract cost	21	21
	<b>7,033</b>	<b>4,746</b>
<b>17 Equity share capital</b>		
<b>Authorised:</b>		
256,110,000 (31 March 2021 - 256,100,000) equity shares of Rs. 10 each (refer note (i) & (ii) below)	2,561	2561
50,000,000 (31 March 2021 - 50,000,000) equity shares of Re. 1 each (refer note below)	50	50
10,800,000 (31 March 2021 - 10,800,000) compulsorily convertible preference shares ('CCPS') of Rs. 10 each	108	108
14,000,000 (31 March 2021 - 14,000,000) 5% 10-year redeemable non-cumulative preference shares of Rs. 10 each	140	140
<b>Issued, subscribed and fully paid up:</b>		
59,139,500 (31 March 2021 - 59,139,500) equity shares of Rs. 10 each	591	591
<b>Notes -</b>		
i) The authorised share capital of the Company was increased to 256,110,000 equity shares of Rs. 10 each from 256,100,000 equity shares of Rs. 10 each w.e.f. 01 April 2021 pursuant to approval of the Scheme of Amalgamation of Solcen Technologies Private Limited vide order of National Company Law Tribunal, Mumbai bench dated 11 March 2022.		
ii) During the previous year, the authorised share capital of the Company was 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.		

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

There was 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.

The authorised share capital of the Company had 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 2022		31 March 2021	
	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 holding company, ultimate holding company and their subsidiaries are as below:

	31 March 2022		31 March 2021	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares of Rs. 10 each, fully paid-up, held by</b>				
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

The shareholding of the promoter is similar to above. There is no change in the promoter shareholding during the current year.

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

	31 March 2022		31 March 2021	
	Number of shares	% of total shares in the class	Number of shares	% of total shares in the class
<b>Equity shares of Rs. 10 each, fully paid-up, held by</b>				
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%

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

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

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 2022	31 March 2021
<b>18 Other equity</b>		
<b>Attributable to the equity holders of the Company</b>		
<b>Reserves and surplus</b>		
<b>Capital reserve</b>		
Balance as at the beginning / end of the year	5	5
<b>Building revaluation reserve</b>		
Balance as at the beginning / end of the year	1	1
<b>Securities premium</b>		
Opening balance	913	872
Addition on account of merger of LHA and LHI (refer note 35)	-	41
	<b>913</b>	<b>913</b>
<b>Capital redemption reserve</b>		
Balance as at the beginning / end of the year	336	336
<b>General reserve</b>		
Opening balance	1,585	1,570
Addition on account of merger of LHA and LHI (refer note 35)	-	15
	<b>1,585</b>	<b>1,585</b>
<b>Share based payment reserve</b>		
Opening balance	2,669	730
Employee stock compensation expense for the year (refer note 44)	1,337	1,172
ESOP previously classified as liability awards now classified as equity awards (refer note 44)	-	1,281
Recharge of share base payment from ultimate parent company	(556)	(514)
	<b>3,450</b>	<b>2,669</b>
<b>Special Economic Zone re-investment reserve</b>		
Opening balance	663	296
Utilisation from Special Economic Zone re-investment reserve	(182)	(113)
Transferred to Special Economic Zone re-investment reserve (during previous year it includes an amount of Rs. 130 for the year 2019-20)	664	480
	<b>1,145</b>	<b>663</b>

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>Retained earnings</b>		
Opening balance	136,871	124,829
Addition on account of merger of LHA and LHI (refer note 35)	-	2,114
Capital reserve on merger of LHA and LHI (refer note 35)	-	(4,077)
Recharge of share base payment from ultimate parent company	(931)	(430)
Utilisation from Special Economic Zone re-investment reserve	182	113
Transferred to Special Economic Zone re-investment reserve (during previous year it includes an amount of Rs. 130 for the year 2019-20)	(664)	(480)
Profit for the year	20,227	14,802
	<b>155,685</b>	<b>136,871</b>
<b>Total reserves and surplus</b>	<b>163,120</b>	<b>143,043</b>
<b>Items of other comprehensive income</b>		
<b>Cash flow hedging reserve</b>		
Opening balance	-	(127)
Other comprehensive income for the year	10	127
	<b>10</b>	<b>.*</b>
<b>Exchange differences on translation of foreign operations</b>		
Opening balance	-	(10)
Other comprehensive income for the year	-	10
	<b>-</b>	<b>-</b>
<b>Remeasurements of post-employment benefit obligations</b>		
Opening balance	(786)	(3,371)
Other comprehensive income for the year	(1,502)	2,585
	<b>(2,288)</b>	<b>(786)</b>
<b>Total of items of other comprehensive income</b>	<b>(2,278)</b>	<b>(786)</b>
<b>Total of other equity</b>	<b>160,842</b>	<b>142,257</b>

\* 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.



## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

### 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 (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.

### 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 Cash flow hedging reserve

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 2022	31 March 2021
<b>19 Lease liabilities</b>		
<b>Non-current</b>		
Lease liabilities	5,288	6,074
<b>Break-up of current and non-current lease liabilities:</b>		
<b>Particulars</b>		
Non-current lease liabilities	5,288	6,074
Current lease liabilities	1,446	1,752
<b>Total</b>	<b>6,734</b>	<b>7,826</b>
<b>Movement in lease liabilities during the year ended:</b>		
<b>Particulars</b>		
Lease liabilities at the beginning of the year	7,826	8,578
Addition pursuant to merger (refer note 35)	-	339
Addition	1,360	1,245
Disposal	(836)	(582)
Interest expense	509	637
Lease payments	(2,125)	(2,391)
<b>Lease liabilities at the end of the year</b>	<b>6,734</b>	<b>7,826</b>

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>20 Other non-current financial liabilities</b>		
Deferred purchase consideration	-	64
Bonus and incentives	-	4
	-	68
<b>21 Provisions</b>		
<b>Non-current</b>		
Provision for employee benefits		
Gratuity (refer note 36(a))	4,894	2,482
Compensated absences (refer note 36 (d))	-	9
Other defined benefit obligation (refer note 36(c)(ii))	-	491
Other provisions (refer note (a) below)	562	562
	5,456	3,544
<b>(a) Movement in other provisions</b>		
Balance as at the beginning of the year	562	396
Additions	-	166
Balance as at the end of the year	562	562
Current	-	-
Non-Current	562	562
	562	562
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 2021- 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.		
<b>22 Trade and other payables</b>		
Due to micro and small enterprises (refer note 43)	342	12
Due to other than micro and small enterprises	6,706	4,812
	7,048	4,824
<b>Trade and other payables includes:</b>		
Due to related parties (refer note 38)	2,757	1,960
Other payables	4,291	2,864
	7,048	4,824

### Ageing of trade and other payables

Particulars	Provision	Outstanding as on 31 March 2022 from due date of payment					Total
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<i>Undisputed trade payables</i>							
MSME	-	126	213	3	-	-	342
Others	2,668	2,896	1,099	38	4	1	6,706
	<b>2,668</b>	<b>3,022</b>	<b>1,312</b>	<b>41</b>	<b>4</b>	<b>1</b>	<b>7,048</b>

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

Particulars	Provision	Not due	Outstanding as on 31 March 2021 from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade payables</b>							
MSME	-	-	12	-	-	-	12
Others	2,461	1,602	742	2	-	5	4,812
	<b>2,461</b>	<b>1,602</b>	<b>754</b>	<b>2</b>	<b>-</b>	<b>5</b>	<b>4,824</b>

	31 March 2022	31 March 2021
<b>23 Lease liabilities</b>		
<b>Current</b>		
Lease liabilities	1,446	1,752
	<b>1,446</b>	<b>1,752</b>
<b>24 Other financial liabilities</b>		
<b>Current</b>		
Capital creditors and other payables	490	238
Interest accrued under MSMED Act, 2006 (refer note 43)	33	42
Payable for retention money	124	107
Bonus and incentives	2,586	1,928
Employee salaries payable	569	591
Deferred purchase consideration (refer note 35(a))	13	-
Other financial liabilities	524	348
	<b>4,339</b>	<b>3,254</b>
<b>25 Other current liabilities</b>		
Unearned revenue	573	345
Statutory dues payable*	4,484	3,471
	<b>5,057</b>	<b>3,816</b>
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	326	222
Tax Deducted at Source payable	2,876	2,771
Provident Fund payable	1,250	454
Profession Tax payable	27	19
Employees State Insurance payable	5	5
	<b>4,484</b>	<b>3,471</b>

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>26 Provisions</b>		
<b>Current</b>		
<b>Provision for employee benefits</b>		
Compensated absences (refer note 36(d))	7,930	5,901
Gratuity (refer note 36 (a))	-	10
Other defined benefit obligation (refer note 36(c)(ii))	760	914
	<b>8,690</b>	<b>6,825</b>
<b>27 Revenue from operations</b>		
Revenue from software operations	199,043	149,880
Revenue from software operations includes Rs. 2,952 (previous year Rs.3,288) towards out of pocket expenses reimbursed by the customers.		
<b>Disaggregate revenue information</b>		
The table below presents disaggregated revenues from contracts with customers by contract type and geography:		
<b>Revenue by contract type :</b>		
Time & material contracts	194,603	145,586
Fixed price contracts	1,179	977
Fixed price maintenance contracts	3,261	3,317
<b>Total</b>	<b>199,043</b>	<b>149,880</b>
<b>Revenue by geography:</b>		
America	84,019	64,339
Europe	76,896	58,243
India	25,863	19,267
Rest of the world	12,265	8,031
<b>Total</b>	<b>199,043</b>	<b>149,880</b>
<b>Reconciliation of revenue recognized with the contracted price is as follows:</b>		
Contracted price	199,474	150,095
Less: Discounts	431	215
<b>Revenue recognised</b>	<b>199,043</b>	<b>149,880</b>

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2022 is Rs 1,667 (31 March 2021: Rs 1,430). Out of this, the Company expects to recognize revenue of around 100% (31 March 2021: 99.9%) 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.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

	31 March 2022		31 March 2021	
	Contract assets / Unbilled revenue	Contract liabilities	Contract assets / Unbilled revenue	Contract liabilities
Opening balance	1,831	(345)	5,608	(250)
Revenue recognised during the year	2,787	345	1,831	250
Invoices raised during the year	(1,831)	(573)	(5,608)	(345)
Balances as at the end of the year	2,787	(573)	1,831	(345)

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 2022	31 March 2021
<b>28 Other income</b>		
Interest on deposits with banks	99	556
Rent income	10	10
Other interest (including interest on income tax and service tax refunds)	18	10
Profit on sale of non-current investments (refer note below)	65	4
Income on mutual funds	1,809	2,687
Net gain on foreign currency transactions	131	-
Provisions no longer required written back	15	12
Profit on sale / disposal of assets (net)	177	166
Other miscellaneous income	211	146
	<b>2,535</b>	<b>3,591</b>

Note: During the year, the Company liquidated its investment in Annik UK Ltd. amounting to Rs. 6 and recognised profit of Rs. 5 and during previous year, liquidated its investment in Dalian Liquidhub Consulting Services Limited Company amounting to Rs. 8 and recognised profit of Rs. 4.

## 29 Employee benefits expense

Salaries, bonus and incentives	130,908	98,117
Contribution to provident and other funds (refer note 36(c))	5,623	4,427
Retirement benefits expense (refer note 36(a) & 36(b))	1,572	1,512
Compensated absences (refer note 36(d))	3,969	1,276
Employee stock compensation expense (refer note 44)	1,337	1,172
Staff welfare expenses	1,454	591
	<b>144,863</b>	<b>107,095</b>

## 30 Finance costs

Interest on lease obligations	509	639
Interest under MSMED Act, 2006	2	3
Interest on Income Tax	72	78
	<b>583</b>	<b>720</b>

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>31 Depreciation and amortisation expenses</b>		
Depreciation of property, plant and equipment (refer note 3)	5,374	4,632
Depreciation of right-of-use assets (refer note 4)	1,833	2,022
Amortisation of intangible assets (refer note 6)	119	146
	<b>7,326</b>	<b>6,800</b>
<b>32 Other expenses</b>		
Sub-contracting expenses	5,123	2,448
Repairs and maintenance:		
- Buildings	722	825
- Computer and network maintenance	969	684
- Office maintenance	1,180	1,531
- Others	223	78
Rent	84	240
Rates and taxes (net)	378	45
Insurance	77	59
Power and fuel	576	584
Advertisement and sales promotion	156	75
Communication	1,247	828
Travelling and conveyance	1,234	1,594
Legal and professional fees	693	582
Bank charges	21	32
Auditors' remuneration (refer note 42)	31	31
Merger and reorganization expenses	72	32
Expenditure towards corporate social responsibility initiatives (refer note 45)	952	478
Software and hardware expenses	2,706	2,108
Bad trade receivables written off	179	319
Provision for doubtful trade receivables written (back) / off	(215)	(242)
Group management fee	1,072	983
Training and recruitment	3,289	1,556
Directors' sitting fees	2	1
Provision for doubtful security deposits	(14)	60
Net loss on foreign currency transactions	-	283
Miscellaneous expenses	590	574
	<b>21,347</b>	<b>15,788</b>

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>33 Statement of other comprehensive income</b>		
<b>(i) Items that will not be reclassified subsequently to Statement of Profit and Loss</b>		
Remeasurements of post-employment benefit obligations (Net)	(2,154)	3,447
Income tax relating to above item	652	(862)
<b>(ii) Items that will be reclassified subsequently to Statement of Profit and Loss</b>		
Net gains on cash flow hedges	14	194
Income tax relating to above item	(4)	(67)
Exchange differences on translation of foreign operations	-	10
	<b>(1,492)</b>	<b>2,722</b>

## 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	8,041	6,227
Adjustments for current tax of prior periods	(151)	(364)
	<b>7,890</b>	<b>5,863</b>

#### 2. Deferred income tax

Deferred tax charge	(1,037)	3,443
Adjustment of deferred tax for prior periods	379	(847)
MAT Credit in respect of prior periods	-	(194)
	<b>(658)</b>	<b>2,402</b>

#### Tax expense for the year

**7,232** **8,265**

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

	31 March 2022			31 March 2021		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
<b>Items that will not be reclassified subsequently to Statement of Profit and Loss</b>						
Remeasurement on post-employment benefit obligations	(2,154)	652	(1,502)	3,447	(862)	2,585
<b>Items that will be reclassified subsequently to Statement of Profit and Loss</b>						
Net gains /(loss) on cash flow hedges	14	(4)	10	194	(67)	127
Exchange differences on translation of foreign operations	-	-	-	10	-	10
	<b>(2,140)</b>	<b>648</b>	<b>(1,492)</b>	<b>3,651</b>	<b>(929)</b>	<b>2,722</b>

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>(c) Reconciliation of effective tax rate</b>		
<b>Profit before tax</b>	<b>27,459</b>	23,068
Tax using the Company's domestic tax rate (Current year and Previous Year 34.944%)	<b>9,595</b>	8,061
<b>Tax effect of:</b>		
Tax effect due to income tax holidays	<b>(2,895)</b>	(2,247)
Expenses not deductible for tax purposes	<b>280</b>	148
Effect of change in tax rates	<b>311</b>	525
Reversal of DTA on account of change in tax laws	<b>-</b>	3,383
Income taxes relating to prior years	<b>229</b>	(1,405)
Others	<b>(288)</b>	(200)
<b>Total income tax expense</b>	<b>7,232</b>	8,265
<b>Effective Tax Rate (%)</b>	<b>26.34</b>	35.83

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 for SEZ and developer unit and claim of deduction u/s 80JJAA resulted in a tax benefit of Rs. 2,895 and Rs. 2,247 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. 482 was transferred to SEZ Re-investment Reserve net of utilisation.

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

The Company has made an assessment of the impact of the Ordinance and decided to continue with the existing tax 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 2022 and has reversed an amount of Rs. 311 (31 March 2021 Rs 525) through the Statement of Profit and Loss that are 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.



## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

### (d) Income tax assets and liabilities

	31 March 2022	31 March 2021
Income tax assets (net)*	12,953	8,304
Income tax liabilities (net)	1,361	1,727

\* Includes deposits paid under dispute of Rs. 10,574 (31 March 2021: Rs. 6,818)

### (e) Movement in deferred tax balances

	Net balance 1 April 2021	Recognised in Statement of Profit and Loss	Acquired in business combinations	Recognised in OCI	MAT Utilisation	Net balance 31 March 2022
<b>Deferred tax liabilities</b>						
Cash flow hedges	-	-	-	4	-	4
Property, plant and equipment and intangible assets	(238)	264	-	-	-	26
	(238)	264	-	4	-	30
<b>Deferred tax assets</b>						
Provisions - employee benefits	2,845	632	-	652	(540)	3,589
Provision for doubtful trade receivables	172	(87)	-	-	-	85
Merger expenses	42	(9)	-	-	-	33
MAT Credit carried forward	4,809	-	-	-	(3,172)	1,637
Others	260	386	-	-	-	646
	8,128	922	-	652	(3,712)	5,990
<b>Deferred tax asset / (liability) (net)</b>	<b>8,366</b>	<b>658</b>	<b>-</b>	<b>648</b>	<b>(3,712)</b>	<b>5,960</b>

	Net balance 1 April 2020	Recognised in Statement of Profit and Loss	Acquired in business combinations	Recognised in OCI	Utilisation of tax credits	Net balance 31 March 2021
<b>Deferred tax assets</b>						
Cash flow hedges	67	-	-	(67)	-	-
Property, plant and equipment and intangible assets	3,708	(3,489)	19	-	-	238
Provisions - employee benefits	3,154	512	41	(862)	-	2,845
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
<b>Deferred tax asset / (liability) (net)</b>	<b>12,081</b>	<b>(2,403)</b>	<b>166</b>	<b>(929)</b>	<b>(549)</b>	<b>8,366</b>

Effective 1st April 2019 the company started utilising accumulated MAT credit and has utilized an amounts of Rs. 3,172 (net) (31 March 2021: Rs. 549)

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 2022 (31 March 2021: 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 taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

### 35 Amalgamation of wholly owned subsidiaries

#### (a) Solcen Technologies Private Limited

The Board of Directors, at their meeting held on 26 May 2021, approved the Scheme of Amalgamation ('the Scheme') of Solcen Technologies Private Limited (STPL) ('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 STPL with the Company. NCLT approved the Scheme of Amalgamation on 11 March 2022.

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

STPL was primarily engaged in providing software services and solutions for systems implementation, configuration, and maintenance and implementation services.

The said amalgamation was accounted in the financial statements of the Company in accordance with Appendix C of Ind AS 103, i.e. all the assets and liabilities of STPL were accounted in the financial statements of the Company at their carrying values on 21 October, 2020.

- the entire business and undertaking of STPL including all the assets and liabilities as a going concern were transferred to and vested in the Company pursuant to the Scheme.
- As per agreement dated 21 October 2020, CTSIL acquired 100 percent of the equity shares of STPL, for a total consideration (which includes deferred consideration) of Rs.536 million from Surya Software Systems Private Limited (SSSPL) and Chanel Limited.

Out of the total purchase consideration, Rs.472 million was paid during the previous year and Rs 64 million was accounted as deferred consideration.

During the current year, purchase consideration amounting to Rs 19 million was paid and there is a reduction in purchase consideration payable by Rs.53 million. A recoverable balance has been recognised of Rs. 22 under 'Current financial assets'. This reduction is accounted as Income during the current year.

Balance purchase consideration of Rs 13 payable is shown under 'Current financial liabilities' will be payable in financial year 2022-23.

**The purchase price has been allocated as follows based on the fair values of assets acquired and liabilities.**

#### Particulars

##### Non-current assets

Property, plant and equipment	4
Right of use assets	31
Other financial assets	13
Deferred tax assets (net)	6
Other non-current assets	*

##### Current assets

##### Financial assets

- Investments	7
- Trade receivables	69
- Cash and cash equivalents	44
Other current assets	33
<b>Total assets acquired (A)</b>	<b>207</b>

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

### Non-current liabilities

#### Financial liabilities

- Leases	23
Provisions	20

#### Current liabilities

##### Financial liabilities

- Lease liabilities	8
- Trade payables	*
Liabilities for current tax (net)*	14
Provisions	31
Other current liabilities	1

#### Total liabilities acquired (B)

97

#### Net assets acquired (C = A-B)

110

Non-Compete	65
Customer Relationships	114
Goodwill arising on business combination	247

#### Total Purchase consideration

536

\*amount below rounding off norm

### (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.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

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

Particulars	1 April 2019	31 March 2020	31 March 2021
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Financial assets</b>			
- Others	1	1	1
Income tax assets (net)	106	106	104
<b>Current assets</b>			
<b>Financial assets</b>			
- Investments	6	3	3
- Cash and cash equivalents	1	2	2
Other current assets	2	3	-
<b>Total assets acquired on amalgamation (A)</b>	<b>116</b>	<b>115</b>	<b>110</b>
<b>Liabilities</b>			
<b>Current liability</b>			
<b>Financial liability</b>			
- Trade and other payables	8	7	7
- Other	104	113	121
Other current liabilities	.*	-	-
Income tax liabilities	28	28	28
<b>Total liabilities acquired on amalgamation (B)</b>	<b>140</b>	<b>148</b>	<b>156</b>
<b>Net liabilities assumed on amalgamation (C) = (A-B)</b>	<b>(24)</b>	<b>(33)</b>	<b>(46)</b>
<b>Reserves taken over under Pooling of interest method under Ind AS 103</b>			
Debit balance in retained earnings	53	53	62
<b>Total reserves on amalgamation (C)</b>	<b>53</b>	<b>53</b>	<b>62</b>
Investment in shares of transferor company	24		
Cancellation of Share capital of transferor company	(29)		
<b>Capital reserve accounted under pooling of interest method</b>	<b>(5)</b>		

\*amount below rounding off norm

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

Particulars	31 March 2020	31 March 2021
<b>Revenue</b>		
Other Income*	-	-
<b>Expenses</b>		
Finance cost	8	8
Other expenses	1	3
<b>Loss before tax</b>	<b>(9)</b>	<b>(11)</b>
Income tax expense	-	2
<b>Loss after tax</b>	<b>(9)</b>	<b>(13)</b>

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

### (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

- 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
<b>Assets</b>		
<b>Non-current assets</b>		
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
<b>Current assets</b>		
<b>Financial assets</b>		
- 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
<b>Total assets acquired on amalgamation (A)</b>	<b>1,448</b>	<b>1,382</b>

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

Particulars	1 April 2020	31 March 2021
<b>Liabilities</b>		
<b>Non-current liability</b>		
<b>Financial liability</b>		
- Lease liabilities	157	124
- Others	3	-
Provisions	63	50
<b>Current liability</b>		
<b>Financial liability</b>		
- Trade and other payables	170	33
- Lease liabilities	27	33
- Other	75	48
Provisions	16	49
Other current liabilities	53	58
Income tax liabilities	5	-
<b>Total liabilities acquired on amalgamation (B)</b>	<b>569</b>	<b>395</b>
<b>Net assets assumed on amalgamation (C) = (A-B)</b>	<b>879</b>	<b>987</b>
<b>Reserves taken over under Pooling of interest method under Ind AS 103</b>		
Securities premium	41	41
General reserve	15	15
Share based payment reserves	_*	11
Retained earnings	786	876
Other comprehensive income	_*	7
<b>Total reserves on amalgamation (C)</b>	<b>842</b>	<b>950</b>
Investment in shares of transferor company	2,299	
Cancellation of Share capital of transferor company	(37)	
<b>Capital reserve accounted under pooling of interest method</b>	<b>2,262</b>	

\*amount below rounding off norm

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

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

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

### (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.

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.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

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

Particulars	1 April 2020	31 March 2021
<b>Assets</b>		
<b>Non-current assets</b>		
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
<b>Current assets</b>		
<b>Financial assets</b>		
- 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
<b>Total assets acquired on amalgamation (A)</b>	<b>1,594</b>	<b>1,742</b>
* amount below rounding off norm		
<b>Liabilities</b>		
<b>Non-current liability</b>		
<b>Financial liability</b>		
- Lease liabilities	89	54
- Others	4	4
Provisions	26	43
<b>Current liability</b>		
<b>Financial liability</b>		
- Trade and other payables	25	11
- Lease liabilities	34	35
- Other	38	62
Provisions	25	28
Income tax liabilities*	-	-
Other current liabilities	25	31
<b>Total liabilities acquired on amalgamation (B)</b>	<b>266</b>	<b>268</b>
<b>Net assets assumed on amalgamation (C) = (A-B)</b>	<b>1,328</b>	<b>1,474</b>



## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

Particulars	1 April 2020	31 March 2021
<b>Reserves taken over under Pooling of interest method under Ind AS 103</b>		
Share based payment reserves	_*	1
Retained earnings	1,328	1,473
<b>Total reserves on amalgamation (C)</b>	<b>1,328</b>	<b>1,474</b>
Investment in shares of transferor company	1,815	
Cancellation of Share capital of transferor company*	-	
<b>Capital reserve accounted under pooling of interest method</b>	<b>1,815</b>	
*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
<b>Revenue</b>	
Revenue from operations	1,156
Other Income	42
<b>Total income</b>	<b>1,198</b>
<b>Expenses</b>	
Employee benefit expense	865
Finance cost	9
Depreciation and amortisation	88
Other expenses	52
<b>Total expense</b>	<b>1,014</b>
<b>Profit before tax</b>	<b>184</b>
Income tax expense	32
<b>Profit for the year</b>	<b>152</b>
Other comprehensive income (net of tax)	(7)
<b>Total comprehensive income</b>	<b>145</b>

### 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 2022	31 March 2021
<b>Present value of defined benefit obligation</b>		
Projected benefit obligation at the beginning of the year	8,146	6,943
Projected benefit obligation assumed on amalgamation	5	124
Current service cost	1,490	1,335
Past service cost	-	(4)
Interest cost	484	420
Benefits paid	(1,567)	(619)
Actuarial loss / (gain)	764	(53)
<b>Projected benefit obligation at the end of the year</b>	<b>(A) 9,322</b>	<b>8,146</b>

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## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>Fair value of plan asset</b>		
Fair value of plan assets at the beginning of the year	5,654	3,818
Fair value of plan assets assumed on amalgamation	-	21
Contributions by employer	8	2,156
Expected return	402	241
Actuarial (loss) / gain	(69)	37
Benefits paid	(1,567)	(619)
<b>Fair value of plan assets at the end of the year</b>	<b>(B) 4,428</b>	5,654
	<b>(A-B) 4,894</b>	2,492
<b>Amounts in the Balance Sheet</b>		
Liabilities		
Current	-	10
Non-current	4,894	2,482
<b>Included in OCI</b>		
Opening amount recognised in OCI outside the Statement of Profit and Loss	(551)	(466)
OCI recognised on account of merger	(9)	-
Actuarial loss / (gain) arising from:		
Demographic assumptions	(48)	80
Financial assumptions	1,048	(29)
Experience adjustment	(237)	(99)
Return on plan assets excluding interest income	69	(37)
	272	(551)
<b>Expense recognised in the Statement of Profit and Loss</b>		
Current service cost	1,490	1,335
Past service cost	-	(4)
Interest cost	484	419
Expected return on plan assets	(402)	(240)
<b>Total included in "Employee benefit expense" (Refer Note 29)</b>	<b>1,572</b>	1,510

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.

<b>Category of Assets</b>	<b>%</b>	<b>%</b>
Insurer managed funds	97%	97%
Others	3%	3%

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

Discount rate	6.8%	6.40%
Salary escalation rate	9%	6.65% to 7%

The average duration of remaining service of employees in the Company as on 31 March 2022 is in the range 6.49 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.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

### Sensitivity analysis

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

- (i) As of 31 March 2022, every 0.5 percentage point increase / (decrease) in discount rate will result in (decrease) / increase of gratuity benefit obligation by approximately Rs. (344) and Rs. 367 respectively.

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.

- (ii) As of 31 March 2022, every 0.5 percentage point increase/ (decrease) in expected rate of salary will result in increase / (decrease) of gratuity benefit obligation by approximately Rs. 357 and Rs. (339) respectively.

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.

### 31 March 2022

Expected benefit payments are as follows:

Year ending 31 March

2023

956

2024-2027

3,797

thereafter

13,081

### (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 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 2022 31 March 2021

#### Present value of defined benefit obligation

Projected benefit obligation at the beginning of the year

24

23

Current service cost

1

1

Interest cost

2

1

Actuarial Losses / (Gain)

(1)

(1)

Benefits paid

\*

-

**Projected benefit obligation at the end of the year**

(A)

26

24

#### Fair value of plan asset

Fair value of plan assets at the beginning of the year

59

54

Expected return

4

4

Contributions by the Company

1

1

Benefits paid

\*

-

**Fair value of plan assets at the end of the year**

(B)

64

59

**Amount not recognised as an asset (in accordance with Ind AS 19 para 64(b))**

(C)

13

12

(A-B+C)

(25)

(23)

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>Amounts recognised in the Balance Sheet:</b>		
Non-current assets	25	23
Opening value of asset ceiling	12	10
Interest on opening balance of asset ceiling	1	1
Remeasurements due to:		
Change in surplus/ deficit	*	1
<b>Closing value of asset ceiling</b>	<b>13</b>	<b>12</b>
<b>Included in OCI</b>		
Opening amount recognised in OCI outside the Statement of Profit and Loss	(9)	(8)
Remeasurement loss / (gain):		
Return on plan assets excluding interest income	(1)	-
Adjustments to recognise the effect of asset ceiling	*	-
Financial assumptions	2	-
Experience adjustment	(2)	(1)
	<b>(10)</b>	<b>(9)</b>
<b>Expense recognised in the Statement of Profit and Loss</b>		
Current service cost	1	1
Interest cost	(1)	1
<b>Total included in "Employee benefit expense" (refer note 29)</b>	<b>*</b>	<b>2</b>
<b>Category of Assets</b>	<b>%</b>	<b>%</b>
Insurer Managed Funds	100%	100%
The Company provides the pension benefit through contributions to a fund managed by a trust.		
<b>The principal assumptions used in determining the pension benefit are shown below:</b>		
Discount rate (p.a.)	6.80%	6.40%
Salary escalation rate	9%	7%
* amount below rounding off norm		

**(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 2022 is Rs. Nil**

Expected benefit payments are as follows:

	31 March 2022
Year ending 31 March	
2023*	-
2024	3
2025*	-
2026*	-
2027*	-
thereafter	33
* amount below rounding off norm	

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

### (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. 3,518 for the year (31 March 2021: Rs. 766). These contributions are charged to the Statement of Profit and Loss as they accrue.

#### (ii) Defined Benefit Plan

The Company had a defined benefit plan for provident fund through two trusts. During the year, the Company filed an application 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 Private Limited Employees' Provident Fund and Capgemini Business Services (India) Limited - Employees' Provident Fund. The surrender application was filed with Regional Provident Fund Commissioner (RPFC) Pune and Bengaluru respectively. The applications were accepted by the RPFC and the Company surrendered both its trust with effect from 1 July 2021. As a process of transfer of activities to RPFC, all the investments held by the Trust were liquidated and the liabilities as on 30 June 2021 were transferred to RPFC. A deficit funding of Rs. 916 was made by the Company during the year prior to surrender of the trusts.

As on 30 June 2021, the Company determined its liability at Rs. 1,842 in respect of provident fund based on actuarial valuation. Post the surrender of the trusts, and funding the deficit of Rs 1,082, the Company is carrying a liability of Rs.760 as on 31 March 2022.

Post the surrender, i.e. from 1 July 2021, the provident fund is accounted as defined contribution plan as mentioned in 36(c)(i)

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.

	30 June 2021	31 March 2021
<b>Present value of defined benefit obligation</b>		
Projected benefit obligation at the beginning of the year	42,651	40,225
Current service cost	500	2,049
Interest cost	682	2,555
Actuarial (Gain) / Losses	353	(342)
Employees contribution	796	3,302
Liabilities transferred in / (out)	510	1,060
Benefits paid	(1,815)	(6,198)
<b>Projected benefit obligation as at</b>	<b>(A) 43,677</b>	<b>42,651</b>
<b>Fair value of plan asset</b>		
Fair value of plan assets at the beginning of the year	41,246	35,264
Expected return	660	2,240
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	(3,289)	438
Movement on account of asset diminution	2,311	2,587
Employer contribution during the year	1,416	2,553
Employee contribution during the year	796	3,302
Assets transferred in / (out)	510	1,060
Benefits paid	(1,815)	(6,198)
<b>Fair value of plan assets as at</b>	<b>(B) 41,835</b>	<b>41,246</b>
<b>Deficit funding post surrender</b>	<b>(C) 1,082</b>	<b>-</b>
<b>Amount recognised in Balance Sheet</b>	<b>(A-B-C) 760</b>	<b>1,405</b>

#### Amounts in the Balance Sheet:

##### Liabilities

Current	760	914
Non-current	-	491

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

	30 June 2021	31 March 2021
<b>Expense recognised in the Statement of Profit and Loss</b>		
Current service cost	500	2,049
Interest cost	682	2,555
Expected return on plan assets	(660)	(2,240)
<b>Total</b>	<b>522</b>	<b>2,364</b>
<b>Amounts included in OCI</b>		
Opening amount recognised in OCI outside the Statement of Profit and Loss	1,551	4,920
Actuarial loss /(gain) arising from:		
Financial assumptions	99	(969)
Experience adjustment	254	626
Actual return on plan assets less interest on plan assets plus shortfall on asset diminution	977	(3,026)
<b>Closing amount recognised in OCI outside Statement of Profit and Loss</b>	<b>2,881</b>	<b>1,551</b>
<b>Plan Asset Category</b>		
Government securities	60%	61%
Corporate Bonds	30%	31%
Equity linked mutual funds	2%	2%
Bank balance	6%	4%
Others	2%	2%
	<b>100%</b>	<b>100%</b>

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	6.20%	6.40%
Expected rate of return on plan assets	8.86% to 9.00%	9.01% - 9.10%
Discount rate for the remaining term to maturity of investment	6.45% to 6.5%	6.55%
Average historic yield on the investment	9.16% to 9.25%	9.16% - 9.25%
Guaranteed rate of return	8.50%	8.50%

The average duration of remaining service of employees in the Company as on 31 March 2022 is in the range 6.49 years

(iii) The Company contributed Rs. 1,583 (31 March 2021 Rs. 1,297) 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 2022	31 March 2021
Non-current provisions (refer note 21)	-	9
Current provisions (refer note 26)	7,930	5,901
	<b>7,930</b>	<b>5,910</b>
<b>Actuarial assumptions</b>		
Discount rate	6.8%	6.40%
Salary escalation rate	9%	6.65% to 7%

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

### 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

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

Annik Inc. (w.e.f. 25 November 2019)

Annik UK Ltd, (liquidated w.e.f. 18 September 2021)

Aricent Technologies (Holdings) Ltd (w.e.f. 23 November 2020)

Aricent Technologies Pvt Ltd (merged into Aricent Technologies (Holdings) Ltd effective 8 January 2021)

Dalian Liquidhub Consulting Services Ltd Co. (liquidated w.e.f. 15 October 2020)

Liquidhub Analytics Private Limited (merged into the Company w.e.f. 1 April 2020)

Liquidhub India Private Limited (merged into the Company w.e.f. 1 April 2020 )

Liquidhub PTE Ltd, (w.e.f. 25 November 2019)

Solcen Technologies Pvt Ltd (merged into the Company w.e.f. 21 October 2020)

##### Other related parties

##### Key Management Personnel

Aiman Ezzat - Non-executive director (w.e.f. 19 January 2021)

Antoine Imbert - Chief Operating Officer (till 31 December 2020)

Armin Billimoria - Company Secretary

Arul Kumaran Paramanandam - Chief Operating Officer

Aruna Jayanthi - Non-executive director (w.e.f. 26 May 2021)

Ashwin Yardi - Wholetime director and Chief Executive Officer

Hubert Paul Henri Giraud - Non- executive director

Kalpana Rao - Independent director

Maria Pernas - Non-executive director (w.e.f. 23 August 2021)

Paul Hermelin - Non- executive director

Ramaswamy Rajaraman - Independent director

Shobha Meera - Non-executive director (w.e.f. 28 March 2022)

Srinivasa Rao Kandula - Wholetime director (till 10 January 2022)

Sujit Sircar - Chief Financial Officer

Thierry Delaporte - Non- executive director (till 5 May 2020)

##### Employee benefit trusts of the Company or of entity related to the Company

Capgemini India Private Limited Employees' Provident Fund

Capgemini Business Services (India) Limited - Employess' Provident Fund

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) Ltd. Employees' Superannuation Scheme

Capgemini India Employees Gratuity Fund (formerly known as IGATE Global Solutions Limited Employees Gratuity Fund)

AXA Technologies Shared Services Private Limited Employees Gratuity Trust

TCube Employees Gratuity Trust

The Liquidhub India Private Limited Employees' Gratuity Scheme

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

### Fellow subsidiaries

Altran ACT  
Altran Deutschland SAS & Co. Kg  
Altran Software US Inc (merged with Capgemini America, Inc. w.e.f. 30 September 2021)  
Altran Technologies India Pvt. Ltd.  
Altran Technologies S.A.S.  
Aricent Holdings Mauritius India Limited (liquidated w.e.f. 10 December 2020)  
Aricent Holdings Mauritius Limited  
Capgemini (China) Co. Ltd.  
Capgemini Asia Pacific Pte Ltd. - Taiwan Branch  
Capgemini Australia (New Zealand Branch)  
Capgemini Australia PTY Limited  
Capgemini Belgium NV/S.A.  
Capgemini Brasil S.A. (formerly CPM Braxis S.A.)  
Capgemini Business Services (China) Limited  
Capgemini Business Services B.V.  
Capgemini Business Services Brasil - Assessoria Empresarial Ltda  
Capgemini Canada Inc.  
Capgemini Colombia SAS  
Capgemini Consulting Österreich AG  
Capgemini Consulting S.A.S.  
Capgemini Czech Republic s.r.o  
Capgemini Danmark A/S  
Capgemini Deutschland GmbH  
Capgemini Deutschland Holding GmbH  
Capgemini Educational Services B.V.  
Capgemini Engineering Research and Development S.A.S. (formerly known as Capgemini DEMS France SAS)  
Capgemini España S.L.  
Capgemini Finland Oy  
Capgemini France S.A.S.  
Capgemini Government Solutions LLC  
Capgemini Hong Kong Limited  
Capgemini Ireland Limited  
Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited )  
Capgemini Italia spA  
Capgemini Japan K.K.  
Capgemini Magyarország Kft.  
Capgemini Mexico S. de R.L de C.V.  
Capgemini Nederland B.V.  
Capgemini Norge A/S  
Capgemini Outsourcing Services GmbH  
Capgemini Philippines Corp.  
Capgemini Polska Sp. z o.o  
Capgemini Portugal, Serviços de Consultoria e Informatica, S.A.  
Capgemini Saudi Limited  
Capgemini Service Romania s.r.l.  
Capgemini Service S.A.S.  
Capgemini Services Malaysia Sdn Bhd  
Capgemini Singapore Pte. Ltd.  
Capgemini Singapore Pte. Ltd. - Abu Dhabi Branch  
Capgemini Singapore Pte. Ltd. - Dubai Branch  
Capgemini Solutions Canada Inc.  
Capgemini Suisse S.A.  
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.



## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

CHCS Services Inc - India Branch (till 1 September 2021)  
 CHCS Services Inc. (till 1 September 2021)  
 Global Edge Software Limited  
 Inergi Inc.  
 Inergi LP  
 Interactive Thinking S.R.L. (merged with Capgemini Italia spA w.e.f. 31 December 2021)  
 Itelios SAS (merged with Capgemini Technology Services S.A.S. w.e.f. 1 May 2021)  
 Matiq A/S  
 New Horizons Systems Solutions Inc  
 RADI Software Do Brasil Ltda.  
 Sogeti Belgium S.A.  
 Sogeti Deutschland GmbH  
 Sogeti Finland Oy (merged with Capgemini Finland OY w.e.f. 1 August 2020)  
 Sogeti Luxembourg S.A.  
 Sogeti Nederland B.V.  
 Sogeti Sverige AB  
 Sogeti UK Limited  
 Tessella (UK)

### Related party transactions

	31 March 2022	31 March 2021
<b>a) Revenues from operations</b>		
Capgemini America, Inc.	78,310	59,196
Capgemini UK Plc	20,384	14,378
Others	72,491	54,826
<b>b) Other income</b>		
Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited )	10	10
<b>c) Expense incurred by the Company on behalf of *</b>		
Capgemini Ireland Limited	-	78
Capgemini Technology Services S.A.S.	-	3
Capgemini Service S.A.S.	-	4
Others	-	47
* includes expense in the nature of sub-contracting expenses, travelling and conveyance and others		
<b>d) Expenses cross charged *</b>		
Capgemini Service S.A.S.	3,334	2,490
Capgemini SE	2,142	1,459
Others	1,292	1,151
* includes expense in the nature of software and hardware expenses, training and recruitment, sub-contracting expenses, group management fee and others		
<b>e) Profit on liquidation of subsidiary</b>		
Dalian Liquidhub Consulting Services Ltd Co. (liquidated w.e.f. 15 October 2020)	-	4
Annik UK Ltd, (liquidated w.e.f. 18 September 2021)	5	-

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>f) Profit on sale / disposal of assets (net)</b>		
Aricent Technologies Holdings Ltd (w.e.f. 23 November 2020)	1	-
<b>g) Interest on loan given</b>		
Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited)	-	10
<b>h) Purchase of investments</b>		
Aricent Holdings Mauritius Limited	-	35,183
Aricent Holdings Mauritius India Limited	-	7,835
Capgemini India Private Limited Employees' Provident Fund	630	-
Capgemini Business Services (India) Limited - Employess' Provident Fund	32	-
<b>i) Purchase of Property, plant and equipment</b>		
Aricent Technologies Holdings Ltd (w.e.f. 23 November 2020)	18	-
<b>j) Sale of assets</b>		
Aricent Technologies Holdings Ltd (w.e.f. 23 November 2020)	25	-
<b>k) Repayment of loan</b>		
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		
<b>l) Payments to employee benefit funds</b>		
Capgemini India Private Limited Employees' Provident Fund	2,311	2,341
Capgemini India Employees Gratuity Fund Trust	-	1,326
Capgemini India Employees Gratuity Fund (formerly known as IGATE Global Solutions Limited Employees Gratuity Fund)	-	696
Capgemini Business Services (India) Limited - Employess' Provident Fund	187	212
Capgemini Business Services (India) Limited Employees' Group Gratuity Assurance Scheme	-	131
<b>m) Key management personnel compensation</b>		
Short-term employee benefits	132	155
Post-employment benefits	7	5
Employee share-based payment	196	172
Director sitting fees	2	1

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>Balances outstanding</b>		
<b>a) Trade receivables</b>		
Capgemini America, Inc.	14,466	10,798
Others	15,754	11,339
<b>b) Unbilled revenue</b>		
Capgemini America, Inc.	3,514	1,134
Capgemini UK plc	770	-
Capgemini Ireland Limited	15	134
Others	2,709	84
<b>c) Unearned revenue</b>		
Capgemini Technology Services S.A.S.	25	38
Capgemini America, Inc.	46	26
Capgemini Service S.A.S.	-	22
Capgemini UK plc	153	15
Others	24	36
<b>d) Other current assets</b>		
Capgemini India Employees Gratuity Fund Trust	-	6
Capgemini Business Services (India) Limited Employees Group Gratuity Assurance Scheme	2	2
<b>e) Trade and other payables</b>		
Capgemini Service S.A.S.	2,297	1,479
Others	460	481
<b>f) Other current assets - prepaid expenses</b>		
Capgemini Service S.A.S.	1,495	1,016
Others	4	-
<b>g) Other financial liabilities</b>		
Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited)	2	2
<b>h) Non-current provisions - other defined benefit obligation</b>		
Capgemini India Pvt. Ltd. Employees' Provident Fund	-	467
Capgemini Business Services (I) Ltd EPF Trust	-	24
<b>i) Current provisions - other defined benefit obligation</b>		
Capgemini India Pvt. Ltd. Employees' Provident Fund	-	796
Capgemini Business Services (I) Ltd EPF Trust	-	118

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

The Company has the following related party transactions and balances outstanding for the year ended 31 March 2022 and 31 March 2021

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 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Revenues from operations	79	78	78,310	59,196	299	326	92,497	68,800	-	-	-	-
Other income	-	-	-	-	-	-	10	-	-	-	-	-
Expense incurred by the Company on behalf of	-	-	-	4	-	-	-	128	-	-	-	-
Expenses cross charged	2,142	1,459	159	160	33	15	4,434	3,466	-	-	-	-
Profit on liquidation of subsidiary	-	-	-	-	5	4	-	-	-	-	-	-
Profit on sale / disposal of assets (net)	-	-	-	-	1	-	-	-	-	-	-	-
Interest on loan given	-	-	-	-	-	-	-	10	-	-	-	-
Purchase of investments	-	-	-	-	-	-	-	43,018	-	-	662	-
Purchase of Property, plant and equipment	-	-	-	-	18	-	-	-	-	-	-	-
Sale of assets	-	-	-	-	25	-	-	-	-	-	-	-
Repayment of loan	-	-	-	-	-	-	-	155	-	-	-	-
Payments to employee benefit funds	-	-	-	-	-	-	-	-	-	-	2,498	4,706
Key managerial personnel compensation												
- Remuneration	-	-	-	-	-	-	-	-	139	160	-	-
- Employee share-based payment	-	-	-	-	-	-	-	-	196	172	-	-
- Director sitting fees	-	-	-	-	-	-	-	-	2	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 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Trade receivables	13	13	14,466	10,798	53	5	15,688	11,321	-	-	-	-
Unbilled revenue	-	-	3,514	1,134	20	18	3,474	200	-	-	-	-
Unearned revenue	-	-	46	26	-	-	202	111	-	-	-	-
Other current assets	-	-	-	-	-	-	-	-	-	-	2	8
Trade and other payables	125	117	18	25	47	1	2,567	1,817	-	-	-	-
Other current assets - prepaid expenses	-	-	4	-	-	-	1,495	1,016	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	2	2	-	-	-	-
Non-current provisions - other defined benefit obligation	-	-	-	-	-	-	-	-	-	-	-	491
Current provisions - other defined benefit obligation	-	-	-	-	-	-	-	-	-	-	-	914

All outstanding balances are unsecured and will be settled in cash. 'Provisions - other defined benefit obligation' is provided based on actuarial valuation.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

### 39 Earnings per share (EPS)

There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

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

	31 March 2022	31 March 2021
(A) Profit attributable to equity shareholders	20,227	14,802
(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	342.02	250.29
(A/C) Diluted earnings per share of face value of Rs.10/- each	342.02	250.29

### 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

31 March 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	4,452	4,452	-	-	-	-
Bank balances other than cash and cash equivalents*	-	-	-	-	-	-	-	-
Current investments	44,738	-	-	44,738	44,738	-	-	44,738
Trade receivables	-	-	41,812	41,812	-	-	-	-
Non current Investment	-	-	545	545	-	-	-	-
Other non-current financial asset	-	-	1,212	1,212	-	-	-	-
Other current financial asset	8	15	311	334	-	23	-	23
	44,746	15	48,332	93,093	44,738	23	-	44,761
<b>Financial liabilities</b>								
Trade and other payables	-	-	7,048	7,048	-	-	-	-
Lease liabilities current and non-current	-	-	6,734	6,734	-	-	-	-
Other current financial liabilities	-	-	4,339	4,339	-	-	-	-
	-	-	18,121	18,121	-	-	-	-

\*amount below rounding off norm

The above disclosure excludes non-current investment in subsidiaries that are accounted at cost and hence not considered.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

31 March 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	7,683	7,683	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	1	1	-	-	-	-
Current investments	37,754	-	-	37,754	37,754	-	-	37,754
Trade receivables	-	-	26,426	26,426	-	-	-	-
Other non-current financial asset	-	-	1,485	1,485	-	-	-	-
Other current financial asset	3	-	375	378	-	3	-	3
	<b>37,757</b>	<b>-</b>	<b>35,970</b>	<b>73,727</b>	<b>37,754</b>	<b>3</b>	<b>-</b>	<b>37,757</b>
<b>Financial liabilities</b>								
Other non-current financial liabilities	-	-	68	68	-	-	-	-
Trade and other payables	-	-	4,824	4,824	-	-	-	-
Lease liabilities current and non-current	-	-	7,826	7,826	-	-	-	-
Other current financial liabilities	-	-	3,254	3,254	-	-	-	-
	<b>-</b>	<b>-</b>	<b>15,972</b>	<b>15,972</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### B. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

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 2022 and 31 March 2021, 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. 1,212 as at 31 March 2022 and is Rs.1,485 as at 31 March 2021. The fair values for security deposits were calculated based on cash flows discounted using a current lending rate.

The fair value of Non-current investments is Rs. 539 as at 31 March 2022 and Rs. Nil as at 31 March 2021. The fair value was calculated based on quoted market price for some securities and valuation report obtained by the Company.

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 forming part of standalone financial statements (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 receivables. Out of the total billed trade receivables of Rs. 35,058 and Rs. 25,549 as of 31 March 2022 and 31 March 2021 respectively, the Company has receivables which are past due and impaired as detailed below:

	31 March 2022	31 March 2021
Balance at the beginning of the year	475	705
Addition pursuant to merger of LHA (refer note 35)	-	12
Impairment provision written back	(221)	(242)
Balance at the end of the year	254	475

#### 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 debt mutual funds, fixed maturity plan securities with banks and financial institutions with a high credit rating by domestic and international credit rating agencies. Counter parties to foreign currency forward contracts are generally multinational banks with appropriate market standing.

### 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

31 March 2022	Contractual cash flows			
	Carrying amount	Within one year	One year but not more than five years	More than five years
Lease liabilities	6,734	1,875	5,498	728
Current financial liabilities	4,339	4,339	-	-
Trade and other payables	7,048	7,048	-	-

## Notes forming part of standalone financial statements (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	7,826	2,127	6,209	1,145
Other non-current financial liabilities	68	-	68	-
Current financial liabilities	3,254	3,254	-	-
Trade and other payables	4,824	4,824	-	-

### 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 2022 and 31 March 2021 is as below:

#### Unhedged foreign currency exposures as on 31 March 2022

Particulars	Cash and cash equivalents	Trade receivables*	Trade Payables	Other financial liabilities
USD	618	225	341	49
EUR	44	155	2,451	1
SGD	-	-	53	-
JPY	-	-	6	-
GBP	-	-	17	-
CAD	-	-	1	-
AUD	-	-	1	-
CNY	-	-	1	-
PLN	-	-	10	-
DKK	-	-	2	-
MYR	-	-	12	-
TWD	-	-	1	-
HUF	-	-	-	-
HKD	-	-	10	-

\*excludes allowance for doubtful receivables

#### Unhedged foreign currency exposures as on 31 March 2021

Particulars	Cash and cash equivalents	Trade receivables*	Trade Payables	Other financial liabilities
USD	1,751	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	-



## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

Particulars	Cash and cash equivalents	Trade receivables*	Trade Payables	Other financial liabilities
DKK	-	-	2	-
HKD	-	-	16	-
OMR	-	192	-	-

\*excludes allowance for doubtful receivables

As at 31 March 2022 and 31 March 2021 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. 19 and Rs. 3 respectively.

### Currency risk

The Company is exposed to currency risk on account of its receivables and payables in foreign currencies. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, with a maturity period of generally less than one year. The Company does not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of 31 March 2022 and 31 March 2021:

Category	31 March 2022		31 March 2021	
	In million	In Rs. million	In million	In Rs. million
<b>Forward contracts</b>				
Hedges of recognized assets and liabilities				
USD/INR	12	914	10	698
Hedges of highly probable forecasted transactions				
USD/INR	34	2,583	31	2,307
		<b>3,497</b>		<b>3,005</b>

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 2022	31 March 2021
Forward contracts in USD		
Not later than one month	418	348
One to 6 months	2,186	1,861
6-12 months	893	796
	<b>3,497</b>	<b>3,005</b>

The following table provides the reconciliation of cash flow hedge reserve for the year ended 31 March 2022 and 31 March 2021

	31 March 2022	31 March 2021
Balance at the beginning of the year	-	(127)
Gain / (loss) recognised in other comprehensive income during the year	14	194
Tax impact on above	(4)	(67)
Balance at the end of the year	<b>10</b>	-

### 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.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>41 Contingent liabilities and commitments</b>		
<b>A) Commitments</b>		
(i) Estimated value of contracts on capital account remaining to be executed [net of advances Rs. 277 (31 March 2021 Rs.55 )]	1,917	1,259
(ii) Commitments given on leases consist primarily of common area maintenance charges of the Company's non-cancellable leases		
Not later than one year	381	425
Later than one year but not later than five years	898	1,117
Later than five years	226	276
	<b>1,505</b>	<b>1,818</b>
<b>B) Contingent liabilities</b>		
(i) Claims not acknowledged as debt	614	643
(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 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).		
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), APA 2- (Covered period - FY 2016-17 to FY 2020-21) and APA 3 (Covered period - FY 2021-22 to FY 2025-26). 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, 2 and 3)), 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.		
<b>42 Auditors' remuneration</b>		
Statutory audit	16	14
Tax audit	2	2
Group reporting and certification	13	15
Out of pocket expenses*	-	-
	<b>31</b>	<b>31</b>

\* amount below rounding off norm

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

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

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at 31 March 2022 and 31 March 2021 is as under.

The amounts remaining unpaid to micro and small suppliers beyond appointed date as at the end of the year

	31 March 2022	31 March 2021
- Principal	26	12
- Interest	1	*
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	237	126
The amount of interest accrued and remaining unpaid at the end of each accounting year	33	42
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) 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 year ended 31 March 2020, the Company had recognised share-based payment cost using liability method. However, from the previous 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.3,450 as on 31 March 2022 (31 March 2021 : Rs. 2,669):

Particulars	31 March 2022				
	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Grant date	05-Oct-17	03-Oct-18	02-Oct-19	07-Oct-20	06-Oct-21
Performance assessment dates	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	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	106,700	154,185	182,400	204,160	-
Total numbers of options granted during the year	-	-	-	-	269,025
Options exercised	91,010	-	-	-	-
Options forfeited or cancelled during the year	15,690	5,430	8,450	8,390	10,530
Total number of options outstanding at closing date	-	148,755	173,950	195,770	258,495
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)	79.90	98.72	92.71	92.57	112.77

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

Particulars	31 March 2022				
	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan
<i>Main market conditions at grant date:</i>					
Volatility	25.65%	23.29%	23.14%	29.61%	30.97%
Risk free interest rate	-0.17% - 0.90%	-0.109% - 0.2429%	-0.478% - 0.458%	-0.499% - 0.4615%	-0.4246% / -0.2605%
Expected dividend rate	1.60%	1.60%	1.60%	1.60%	1.60%
Charge for the year	16	328	260	322	379
Share based payment reserve	-	1,072	708	501	379

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
Addition on account of 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
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
<i>Main market conditions at grant date:</i>					
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 forming part of standalone financial statements (Contd.)

(Currency : INR in million)

- (iii) Capgemini SE, the ultimate parent company, has set up an employee share ownership plan, where eligible employees of the Group were invited to subscribe to the shares of the ultimate parent company at a discount of 12.5% to the current market price of the ultimate parent company shares. On 18 December 2017, 18 December 2018, 18 December 2019, 17 December 2020 and 16 December 2021 the ultimate parent company issued shares for 2017, 2018, 2019, 2020 and 2021 employee ownership plan respectively. The charge for the year for these plans are as below:

Particulars	ESOP 2017		ESOP 2018	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Number of shares	31,417	31,417	36,567	36,567
Charge for the year	4	6	6	10
Share based payment reserve	25	21	25	19

  

Particulars	ESOP 2019		ESOP 2020		ESOP 2021	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Number of shares	39,681	39,681	45,763	45,763	35,593	-
Charge for the year	7	9	11	3	4	-
Share based payment reserve	18	11	14	3	4	-

The Company has used fair value method for accounting of the above share-based payments.

## 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 448 (31 March 2021 Rs.430). The total expenditure incurred on 'Corporate Social Responsibility Activities' for the current year is Rs. 952 (31 March 2021 Rs.478) towards Education and Employment Enhancement, Environment Sustainability, Contribution to incubators or research and development projects and Disaster Response ( Covid 19 relief)

In previous year, the total expenditure incurred on CSR activities exceeded the gross amount required to be spent by Rs.9 such excess amount was set off against the requirement to be spend in current financial year as per Rule 7 of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 in pursuance of its obligation towards the ongoing projects.

In current year, the total expenditure incurred on CSR activities exceeds the gross amount required to be spent by Rs.504 such excess amount shall not be set off against the requirement to be spend in immediately succeeding three financial years as per management decision.

### Details of ongoing CSR projects under Sec 135(6) of the Act

Balance as at 1st April 2021			Amount spent during the year		Balance as at 31st March 2022	
With the Company	In separate CSR unspent account	Amount required to be spent during the year	From the company's bank account	From separate CSR unspent account	With the Company	In separate CSR unspent account
-	-	448	943	-	-	-

### Details of CSR expenditure under section 135 (5) of the Act in respect of other than ongoing projects

Balance unspent as at 1 April 2021	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 2022
-	-	-	-	-

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

### Details of excess CSR expenditure under Section 135 (5) of the Act

Balance excess spent as at 1 April 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at 31 March 2022
9	9	9	-

### 46 Merger schemes pending with National Company Law Tribunal, Mumbai (NCLT)

The Company has filed an application with the NCLT on 31 January 2022 to merge Aricent Technologies (Holdings) Limited 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 10 January 2022. The appointed date for the merger is 1 October 2021. The matter is pending before the NCLT and approval is still awaited.

### 47 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. 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.

### 48 Additional Information

Financial ratios	Numerator	Denominator	31 March 2022	31 March 2021	Variance (in %)
Current ratio	Current assets	Current liabilities	3.52	3.47	1
Debt-equity ratio	Total debt	Shareholder's equity	0.04	0.05	(20)
Debt service coverage ratio	Earnings available for debt service	Debt service	13.16	9.27	42
Return on equity ratio	Net profits after taxes	Average shareholder's equity	13.29%	11.02%	21
Trade receivables turnover ratio	Revenue	Average trade receivable - billed	6.65	6.22	7
Trade payable turnover ratio	Purchases of other expense and services	Average trade payables	3.84	3.13	23
Net capital turnover ratio	Revenue	Working capital	2.83	2.74	3
Net profit ratio	Net Profit	Revenue	10.16%	9.88%	3
Return on capital employed	Earnings before interest and taxes	Capital Employed	16.68%	15.79%	6
<b>Return on Investment</b>					
Mutual funds	Income on Mutual fund	Average Investment in mutual funds	4.00%	5.15%	(22)
Fixed deposit	Interest on fixed deposit	Average Investment in fixed deposit	3.60%	4.87%	(26)

#### Reason for variance more than 25%:

- Debt service coverage ratio: Surrender of lease facilities at Airoli, Bengaluru, Chennai and Hyderabad locations during the year has resulted in an improvement in the ratio.
- Return on fixed deposit investment: There is a reduction in return on investment from fixed deposit during the year due to lower interest rate regime as compared to higher interest rates during the first quarter of FY 2020-21 with short term maturities.

## Notes forming part of standalone financial statements (Contd.)

(Currency : INR in million)

### Note:

1. Total Debt represents only lease liabilities
2. Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.
3. Debt service represents Lease payments for the year
4. Purchase of other expense and services = Other expense + Staff welfare services
5. Working capital = Current asset - Current liabilities
6. Capital employed = Tangible net worth + Deferred tax liabilities + Lease Liabilities

### 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.

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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

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

**Kalpana Rao**  
Independent Director  
DIN: 07093566  
Place: Bengaluru

Place : Pune  
Date : 02 August 2022

**Armin Billimoria**  
Company Secretary  
FCS - 8637  
Place : Mumbai  
Date : 02 August 2022

**Sujit Sircar**  
Chief Financial Officer  
Place : Bengaluru

## 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, 2022, 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, 2022, 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 the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained, other than the unaudited financial statements as certified by the management referred to in sub-paragraph 14 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

### Other Information

4. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors 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 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

5. 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 financial statements by the Directors of the Holding Company, as aforesaid.



6. 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.
7. 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**

8. 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.
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 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. We remain solely responsible for our audit opinion.
10. 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.
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. We did not audit the financial statements of 3 subsidiaries whose financial statements reflect total assets of Rs 1,084 Million and net assets of Rs 943 Million as at March 31, 2022, total revenue of Rs. 843 Million, total comprehensive income (comprising of profit and other comprehensive income) of Rs 248 Million and net cash outflows amounting to Rs 3 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 in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act 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.

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 matter with respect to our reliance on the financial statements certified by the Management.

## Report on Other Legal and Regulatory Requirements

13. As required by paragraph 3(xx) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that we, as the auditors of Aricent Technologies (Holdings) Limited, a subsidiary of the Holding Company, have given the following comments in their CARO 2020 report dated July 13, 2022 on the financial statements of Aricent Technologies (Holdings) Limited, as reproduced below:

Paragraph No.	Comment in the respective CARO report reproduced below
xx(b)	The amount of corporate social responsibility under sub-section (5) of section 135 of the Act pursuant to ongoing projects remaining unspent as at the year ended March 31, 2022 was not transferred to special account as required by the provisions of sub-section (6) of section 135 of the Act, however as mentioned in note 23 of the financial statements, the Company has spent the amount on April 5, 2022.

The note 23 of the financial statements of Aricent Technologies (Holdings) Limited has been included in note 34(a) of the consolidated financial statements of the Holding Company.

14. 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.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account 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, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 financial position of the Group, Refer Note 44 to the consolidated financial statements.
    - (ii) The Group, have long-term contracts including derivative contracts as at March 31, 2022 for which there were no material foreseeable losses.
    - (iii) During the year ended March 31, 2022, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.
    - (iv) (a) The respective Managements of the Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (b) The respective Managements of the Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by us as the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

15. The Group have 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: 22048125AOAXDJ1012

Place: Pune

Date: 02 August 2022

## Annexure A to Independent Auditors' report

**Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Capgemini Technology Services India Limited on the consolidated financial statements for the year ended March 31, 2022**

### **Report on the Internal Financial Controls with reference to 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 Capgemini Technology Services India Limited as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of Capgemini Technology Services India Limited (hereinafter referred to as "the Holding Company") and its subsidiary company which is company 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 company, 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 financial statements is applicable, which is company 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 financial statements based on our audit. We conducted our audit in accordance with 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to financial statements**

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

#### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

## Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

For **Price Waterhouse Chartered Accountants LLP**

*Firm Registration Number: 012754N/N500016*

**Jeetendra Mirchandani**

*Partner*

Membership No. 048125

UDIN: 22048125AOAXDJ1012

Place: Pune

Date: 02 August 2022

# ANNUAL REPORT 2021-22

## Consolidated Balance Sheet as at 31 March 2022

		(Currency : INR in million)	
	Note	31 March 2022	31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	29,955	27,236
Right-of-use assets	4	8,217	9,965
Capital work-in-progress	5	234	135
Goodwill	6	8,522	8,522
Other Intangible assets	6	516	635
Financial assets			
Investments	7	668	-
Loans	8	766	225
Others	9	1,557	1,826
Deferred tax assets (net)	10	6,692	9,731
Income tax assets (net)	36	14,240	9,418
Other non-current assets	11	2,250	2,087
<b>Total non-current assets</b>		<b>73,617</b>	<b>69,780</b>
<b>Current assets</b>			
Financial assets			
Investments	12	57,611	46,788
Trade receivables	13	48,668	36,000
Cash and cash equivalents	14	6,939	9,107
Bank balances other than cash and cash equivalents	15	1	1
Others	16	499	630
Other current assets	17	7,611	5,655
<b>Total current assets</b>		<b>121,329</b>	<b>98,181</b>
<b>TOTAL ASSETS</b>		<b>194,946</b>	<b>167,961</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	18	591	591
Other equity	19	147,424	126,049
<b>Equity attributable to share holders of the Company</b>		<b>148,015</b>	<b>126,640</b>
<b>Non controlling interests</b>	46	<b>501</b>	<b>456</b>
<b>Total equity</b>		<b>148,516</b>	<b>127,096</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	20	5,959	7,189
Others	21	-	68
Other non-current liabilities	22	127	124
Provisions	23	6,847	5,368
<b>Total non-current liabilities</b>		<b>12,933</b>	<b>12,749</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade and other payables	24		
-Due to micro and small enterprises		396	12
-Due to other than micro and small enterprises		7,924	6,465
Lease liabilities	25	1,928	2,442
Others	26	4,855	4,107
Other current liabilities	27	5,822	4,421
Provisions	28	10,122	8,099
Income tax liabilities (net)	36	2,450	2,570
<b>Total current liabilities</b>		<b>33,497</b>	<b>28,116</b>
<b>Total liabilities</b>		<b>46,430</b>	<b>40,865</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>194,946</b>	<b>167,961</b>

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**  
Partner  
Membership No: 048125

Place : Pune  
Date : 02 August 2022

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

**Armin Billimoria**  
Company Secretary  
FCS - 8637  
Place : Mumbai  
Date : 02 August 2022

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

**Kalpana Rao**  
Independent Director  
DIN: 07093566  
Place: Bengaluru

**Sujit Sircar**  
Chief Financial Officer  
Place : Bengaluru

## Consolidated Statement of Profit and Loss for the year ended 31 March 2022

(Currency : INR in million)

	Note	31 March 2022	31 March 2021
Revenue from operations	29	226,288	176,483
Other income	30	4,362	3,975
<b>Total income</b>		<b>230,650</b>	<b>180,458</b>
<b>Expenses</b>			
Employee benefit expense	31	163,492	124,233
Finance costs	32	759	927
Depreciation and amortisation expenses	33	8,755	8,384
Other expenses	34	25,840	20,791
<b>Total expenses</b>		<b>198,846</b>	<b>154,335</b>
<b>Profit before tax</b>		<b>31,804</b>	<b>26,123</b>
<b>Tax expense:</b>	36		
Current tax		9,268	6,663
Deferred tax		(534)	2,577
<b>Profit for the year</b>		<b>23,070</b>	<b>16,883</b>
<b>Other comprehensive income/(loss)</b>	35		
<b>(i) Items that will not be reclassified subsequently to Statement of Profit and Loss</b>			
Remeasurements of post-employment benefit obligations (Net)		(2,114)	3,882
Income tax relating to above item		638	(1,014)
<b>(ii) Items that will be reclassified subsequently to Statement of Profit and Loss</b>			
Net (loss) / gain on cash flow hedges		(138)	691
Income tax relating to above item		49	(241)
Exchange differences on translation of foreign operations		28	(4)
<b>Total other comprehensive income/(loss), net of tax</b>		<b>(1,537)</b>	<b>3,314</b>
<b>Total comprehensive income for the year</b>		<b>21,533</b>	<b>20,197</b>
<b>Profit attributable to:</b>			
Owners of the Company		23,024	16,849
Non-controlling interests		46	34
<b>Other comprehensive income attributable to:</b>			
Owners of the Company		(1,536)	3,303
Non-controlling interests		(1)	11
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		21,488	20,152
Non-controlling interests		45	45
<b>Earnings per equity share</b>			
Basic and diluted earnings per equity share (face value of Rs. 10 each)	42	389.32	284.90

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  
**Cappgemini Technology Services India Limited**  
CIN-U85110PN1993PLC145950

**Jeetendra Mirchandani**  
Partner  
Membership No: 048125

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

**Kalpna Rao**  
Independent Director  
DIN: 07093566  
Place: Bengaluru

**Armin Billimoria**  
Company Secretary  
FCS - 8637  
Place : Mumbai  
Date : 02 August 2022

**Sujit Sircar**  
Chief Financial Officer  
Place : Bengaluru

Place : Pune  
Date : 02 August 2022

## Consolidated Statement of Cash Flows for the year ended 31 March 2022

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>A. Cash flows from operating activities</b>		
Profit before tax	31,804	26,123
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	8,755	8,384
Profit on sale of non-current investments	(65)	-
Income on mutual funds	(2,255)	(2,772)
Provisions no longer required written back	(151)	(24)
Provision for doubtful trade receivables written (back)/off	(326)	(178)
Bad trade receivables written off	334	319
Provision for doubtful security deposits	(14)	61
Profit on sale / disposal of assets (net)	(171)	(169)
Gain on sale of net assets of branches	(749)	-
Interest on deposits with banks	(108)	(587)
Other interest income (including interest on income tax and service tax refunds)	(21)	(13)
Interest expense on income tax	112	78
Interest on lease obligations	642	843
Employee stock compensation expense	1,374	1,172
Unrealised foreign currency (gain)/loss (net)	(128)	640
Other miscellaneous income	(53)	-
Other provisions	-	166
<b>Operating profit before working capital changes</b>	<b>38,980</b>	<b>34,043</b>
<b>Changes in working capital</b>		
Increase/ (Decrease) in trade and other payables	2,229	(944)
Increase/ (Decrease) in other current financial liabilities	441	(344)
Increase in other non current liabilities	3	82
Decrease in other non current financial liabilities	(4)	-
Increase in other current liabilities	1,401	660
Increase in provisions	1,717	216
(Increase)/ Decrease in trade receivables	(13,508)	1,091
(Increase)/ Decrease in non-current assets	(369)	83
(Increase)/ Decrease in other current assets	(1,956)	3,559
Decrease in other financial assets	269	1,714
<b>Cash generated from operations</b>	<b>29,203</b>	<b>40,160</b>
Taxes paid, net	(10,124)	(6,122)
<b>Net cash generated from operating activities (A)</b>	<b>19,079</b>	<b>34,038</b>
<b>B. Cash flows from investing activities</b>		
Purchase of tangible and intangible assets	(8,531)	(4,226)
Proceeds from sale of tangible and intangible assets	78	113
Purchase of equity shares of subsidiary	(20)	(43,490)
Proceeds from liquidation of subsidiary	5	-
Purchase of non-current investments	(784)	-
Proceed from sale of non-current investments	177	-
Purchase of current investments	(194,209)	(187,896)
Proceeds from sale of current investments	185,641	197,476
Consideration received on sale of net assets of branches	1,602	-
Loans given	(541)	-
Loans repaid	-	192



## Consolidated Statement of Cash Flows for the year ended 31 March 2022

(Currency : INR in million)

	31 March 2022	31 March 2021
Interest received on fixed deposits	193	785
Proceeds from margin money deposits	-	1
Proceeds from bank deposit	-	69
<b>Net cash used in investing activities (B)</b>	<b>(16,389)</b>	<b>(36,976)</b>
<b>C. Cash flows from financing activities</b>		
Payment towards share based payment liability	(1,487)	(944)
Interest on lease obligations	(642)	(843)
Payment of lease liabilities	(2,334)	(2,600)
<b>Net cash used in financing activities (C)</b>	<b>(4,463)</b>	<b>(4,387)</b>
<b>Net decrease in cash and cash equivalents (A + B + C)</b>	<b>(1,773)</b>	<b>(7,325)</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalent	61	(20)
Less: transfer of cash and cash equivalent as a part of slump sale of net assets of branches	(456)	-
Add: Cash balances taken over pursuant to business combination (refer note 37 (a) & 37 (b))	-	2,333
Cash and Cash equivalents at the beginning of the year	9,107	14,119
<b>Cash and Cash equivalents at the end of the year</b>	<b>6,939</b>	<b>9,107</b>

Notes :

- Reconciliation of cash and cash equivalents:**  
Cash and cash equivalents comprise of:  
Current accounts 2,886 1,007  
EEFC accounts 780 2,201  
Deposit accounts 3,273 5,899  
**Cash and cash equivalents at the end of the year** 6,939 9,107
- Purchase of tangible and intangible assets include payments for items in capital work in progress, capital creditors and advance for purchase of such tangible and intangible assets and movement from capital creditors.
- For non-cash investing activity, refer additions to right-of-use assets in note 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

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

**Jeetendra Mirchandani**  
Partner  
Membership No: 048125

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

**Kalpna Rao**  
Independent Director  
DIN: 07093566  
Place: Bengaluru

**Armin Billimoria**  
Company Secretary  
FCS - 8637  
Place : Mumbai  
Date : 02 August 2022

**Sujit Sircar**  
Chief Financial Officer  
Place : Bengaluru

Place : Pune  
Date : 02 August 2022

## Consolidated Statement of Changes in Equity (SOCIE) for the year ended 31 March 2022

(Currency : INR in million)

												31 March 2022	31 March 2021	
<b>(a) Equity share capital</b>														
Equity share capital balance at the beginning												591	591	
Movement during the year												-	-	
Equity share capital balance at the end												591	591	
<b>(b) Other equity</b>														
	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
Particulars	Capital reserve	Building revaluation reserve	Securities premium	Capital redemption reserve	General reserve	Share based payment reserve	Special Economic Zone re-investment reserve	Retained earnings	Cash flow hedging reserve	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 (a))	(1,708)	-	491	3,482	-	-	-	19,751	(216)	-	-	21,800	411	22,211
Capital reserve arising on business combination (refer note 37 (a))	(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 47)	-	-	-	-	-	1,172	-	-	-	-	-	1,172	-	1,172
Employee stock compensation previously classified as liability awards now classified as equity awards (refer note 47)	-	-	-	-	-	1,281	-	-	-	-	-	1,281	-	1,281
Recharge of share based payment from 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 (during previous year it includes an amount of Rs 130 for the year 2019-20)	-	-	-	-	-	-	480	(480)	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	16,849	-	-	-	16,849	34	16,883
Other comprehensive income for the year	-	-	-	-	-	-	-	-	445	(4)	2,862	3,303	11	3,314
Total comprehensive income for the year	-	-	-	-	-	-	-	16,849	445	(4)	2,862	20,152	45	20,197
Balance at 31 March 2021	-	1	1,327	3,812	1,432	2,669	663	116,554	102	26	(537)	126,049	456	126,505

# ANNUAL REPORT 2021-22

(Currency : INR in million)

Particulars	Attributable to the equity holders of the Company												Equity attributable to Equity share holders of the Company	Non controlling Interest	Total other equity
	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	Cash flow hedging reserve	Exchange differences on translation of foreign operations	Remeasurements of post-employment benefit obligations				
Balance at 31 March 2021	-	1	1,327	3,812	1,432	2,669	663	116,554	102	26	(537)	126,049	456	126,505	
Employee stock compensation expense for the year (refer note 47)	-	-	-	-	-	1,374	-	-	-	-	-	1,374	-	1,374	
Recharge of share based payment from ultimate parent company	-	-	-	-	-	(556)	-	(931)	-	-	-	(1,487)	-	(1,487)	
Utilisation from Special Economic Zone re-investment reserve	-	-	-	-	-	-	(182)	182	-	-	-	-	-	-	
Transferred to Special Economic Zone re-investment reserve	-	-	-	-	-	-	664	(664)	-	-	-	-	-	-	
Profit for the year	-	-	-	-	-	-	-	23,024	-	-	-	23,024	46	23,070	
Other comprehensive income for the year	-	-	-	-	-	-	-	-	(87)	28	(1,477)	(1,536)	(1)	(1,537)	
Total comprehensive income for the year	-	-	-	-	-	-	-	23,024	(87)	28	(1,477)	21,488	45	21,533	
Balance at 31 March 2022	-	1	1,327	3,812	1,432	3,487	1,145	138,165	15	54	(2,014)	147,424	501	147,925	

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**  
Partner  
Membership No: 048125

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

**Kalpana Rao**  
Independent Director  
DIN: 07093566  
Place: Bengaluru

Place : Pune  
Date : 02 August 2022

**Armin Billimoria**  
Company Secretary  
FCS - 8637  
Place : Mumbai  
Date : 02 August 2022

**Sujit Sircar**  
Chief Financial Officer  
Place : Bengaluru

## Notes forming part of consolidated financial statements

(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 of America, United Kingdom, Germany, Belgium, Finland, South Korea and Canada. IT services and IT-enabled operation offshore outsourcing solutions are delivered using the offshore centers located in Bengaluru, Bhubaneshwar, Chennai, Delhi, Gandhinagar, Gurugram, Hyderabad, Kolkata, Mumbai, Noida, Pune, Salem and Trichy 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 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments:

Disclosures and Ind AS 116, Leases.

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.

New amendments issued but not effective to the Group

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

#### 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 2022	31 March 2021
1. Annik Inc.	Subsidiary	USA	100	100
2. Annik UK LTD (liquidated with effect from 18 September 2021)	Subsidiary	UK	-	100
3. Liquidhub PTE. LTD.	Subsidiary	Singapore	100	100
4. Solcen Technologies Private Limited (w.e.f. 21 October 2020)*	Subsidiary	India	-	100
5. Aricent Technologies (holdings) Limited (w.e.f. 23 November 2020)**	Subsidiary	India	98.25	98.25

\*refer note 37 (b)

\*\* refer note 37 (a)

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

### 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 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.

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.

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

### Business combination

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

### Defined benefit plans and compensated absences

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

### Allowance for trade receivables

The 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, receivables are grouped into homogenous 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 liabilities.

### 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 forming part of consolidated financial statements (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.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration does not meet the definition of a financial instrument it is classified as equity and 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:

- a. it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

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:

- a. it is expected to be settled in the group's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

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 forming part of consolidated financial statements (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

### (i) 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.

### (ii) 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	5 - 8 years
Trade name	3 years
Non-compete	3 - 5 years

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

### 2.10 Leases

#### (a) Group as a lessee

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.

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 liability 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.

#### (b) 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 based on contract terms.

### 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 forming part of consolidated financial statements (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 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 company, ultimate parent company and fellow subsidiaries is recognised on cost plus mark-up basis determined on arm's length principle as and when the related services are rendered.
- Revenue on multi- deliverable contracts is recognised applying the appropriate method as specified above, depending on the performance obligations identified. 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.

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

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 forming part of consolidated financial statements (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) 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.

### 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 (Upto 30th June 2021)*

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 employees covered in 2.15 (a) above, from 1 July 2021 onwards, monthly provident fund contributions are remitted to the Regional Provident Fund Commissioner, a Government authority.

In respect of other employees of the Company, monthly provident fund contributions are remitted to the Regional Provident Fund Commissioner, a Government authority for the entire year. 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 Group's gratuity benefit scheme is a defined benefit plan. The liability or asset recognised in the balance sheet in respect of this plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The present value of the obligation under such benefit plan is determined based on an actuarial valuation using the Projected Unit Credit Method.

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

The discount rates used for determining the present value are based on the market yields on Government securities as at the balance sheet date. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. All other 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 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. 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

### Performance and employment linked shares

Capgemini SE, the ultimate parent company has allocated performance 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 previous 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 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.

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

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.



## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

### *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.

## **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 Group 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.

### **(ii) Classification and subsequent measurement**

#### **Financial assets**

##### **Classification**

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.



## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

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.

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

### (v) Derivative instruments and hedge accounting

The Group uses derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposure. The counter party for these contracts is generally a bank.

The use of foreign currency forward contracts 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.

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 'Cash flow hedging reserve'. 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.

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

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 event;
- 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 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.

### 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.

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

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. 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 Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

### 2.25 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 forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

### 3 Property, plant and equipment

	Freehold land	Buildings	Computers	Office equipment	Furniture and fixtures	Leasehold improvements	Vehicles	Total
<b>Gross block</b>								
Balance as at 1 April 2020	270	19,683	13,343	12,512	8,213	3,623	110	57,754
Additions pursuant to business combination (refer note 37 (a) and (b))	-	-	2,642	589	284	1,054	8	4,577
Additions	-	277	2,878	481	344	221	-	4,201
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
Additions	-	97	7,431	1,091	84	24	-	8,727
Disposals	-	(1)	(2,610)	(384)	(218)	(720)	(17)	(3,950)
Other adjustment**	-	-	_*	_*	_*	-	-	-
<b>At 31 March 2022</b>	<b>270</b>	<b>20,043</b>	<b>22,924</b>	<b>14,070</b>	<b>8,608</b>	<b>3,982</b>	<b>99</b>	<b>69,996</b>
<b>Accumulated depreciation</b>								
Balance as at 1 April 2020	-	(3,927)	(10,357)	(8,599)	(5,118)	(2,408)	(104)	(30,513)
Additions pursuant to business combination (refer note 37 (a) and (b))	-	-	(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)
Charge for the year	-	(621)	(3,249)	(1,105)	(490)	(437)	(1)	(5,903)
Disposals	-	1	2,624	369	199	635	17	3,845
Other adjustment**	-	-	_*	_*	_*	-	-	-
<b>At 31 March 2022</b>	<b>-</b>	<b>(5,155)</b>	<b>(14,887)</b>	<b>(10,675)</b>	<b>(6,109)</b>	<b>(3,120)</b>	<b>(95)</b>	<b>(40,041)</b>
<b>Net block</b>								
At 31 March 2021	270	15,412	3,841	3,424	2,924	1,360	5	27,236
<b>At 31 March 2022</b>	<b>270</b>	<b>14,888</b>	<b>8,037</b>	<b>3,395</b>	<b>2,499</b>	<b>862</b>	<b>4</b>	<b>29,955</b>

\*\*Other adjustment refers to adjustment pertaining to foreign exchange on conversion of foreign operations

\*amount below rounding off norm

Notes:

The Group has not revalued its Property, plant & equipment during current and previous year.

## Notes forming part of consolidated financial statements (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	Lease Building	Lease Computer Equipment	Lease Vehicles	Total
<b>Gross Block</b>					
Balance as at 1 April 2020	1,445	9,947	48	17	11,457
Additions pursuant to business combination (refer note 37 (a) and (b))	-	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	12,991	31	330	14,797
Additions	-	1,449	-	203	1,652
Disposals / termination	-	(2,471)	(31)	(112)	(2,614)
<b>At 31 March 2022</b>	<b>1,445</b>	<b>11,969</b>	<b>-</b>	<b>421</b>	<b>13,835</b>
<b>Accumulated depreciation</b>					
Balance as at 1 April 2020	(17)	(1,921)	(30)	(1)	(1,969)
Additions pursuant to business combination (refer note 37 (a) and (b))	-	(757)	-	-	(757)
Charge for the year	(17)	(2,667)	(14)	(232)	(2,930)
Disposals / termination	-	724	17	83	824
Other adjustments**	-	-*	-	-	-
At 31 March 2021	(34)	(4,621)	(27)	(150)	(4,832)
Charge for the year	(17)	(2,429)	(4)	(107)	(2,557)
Disposals / termination	-	1,637	31	103	1,771
<b>At 31 March 2022</b>	<b>(51)</b>	<b>(5,413)</b>	<b>-</b>	<b>(154)</b>	<b>(5,618)</b>
<b>Net Block</b>					
At 31 March 2021	1,411	8,370	4	180	9,965
<b>At 31 March 2022</b>	<b>1,394</b>	<b>6,556</b>	<b>-</b>	<b>267</b>	<b>8,217</b>

\*\*Other adjustment refers to adjustment pertaining to foreign exchange on conversion of foreign operations

\*amount below rounding off norm

### Amount recognised in Consolidated Statement of Profit and Loss

Particulars	31 March 2022	31 March 2021
Gain on lease terminations / modifications	219	110
Amortisation of right-of-use assets	2,557	2,930
Interest on lease liabilities	642	843
Expenses relating to short-term lease	8	12

### Amounts recognised in the Consolidated Statement of Cash Flows

Interest on lease obligations	(642)	(843)
Payment of lease liabilities	(2,334)	(2,600)

### Notes:

(i) The Group has used a single discount rate to a portfolio of leases with similar characteristics.

(ii) The weighted average incremental borrowing rate of 7.32% have been applied to lease liabilities recognised in the balance sheet at the date of initial application.

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

### 5 Capital work-in-progress

Balance as at 1 April 2020	666
Additions pursuant to business combination (refer note 37 (a) and (b))	6
Additions	3,748
Capitalisation	(4,285)
At 31 March 2021	135
Additions	9,023
Capitalisation	(8,924)
<b>At 31 March 2022</b>	<b>234</b>

#### (a) Ageing of projects in progress and projects temporarily suspended:

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	234	-	-	-	234
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2022	234	-	-	-	234

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	135	-	-	-	135
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2021	135	-	-	-	135

(b) There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

### 6 Intangible assets

	Computer software	Trade Name	Customer Relationships	Non-compete	Customer Contract	Total other Intangible assets	Goodwill
<b>Gross block</b>							
Balance as at 1 April 2020	3,139	-	-	-	-	3,139	472
Additions pursuant to business combination (refer note 37 (a) and (b))	529	115	1,180	117	112	2,053	8,050
Additions	84	-	-	-	-	84	-
At 31 March 2021	3,752	115	1,180	117	112	5,276	8,522
Additions	197	-	-	-	-	197	-
Disposals	(270)	-	-	-	-	(270)	-
<b>At 31 March 2022</b>	<b>3,679</b>	<b>115</b>	<b>1,180</b>	<b>117</b>	<b>112</b>	<b>5,203</b>	<b>8,522</b>
<b>Amortisation</b>							
Balance as at 1 April 2020	(2,984)	-	-	-	-	(2,984)	-
Additions pursuant to business combination (refer note 37 (a) and (b))	(399)	(115)	(621)	(48)	(112)	(1,295)	-
Charge for the year	(207)	-	(142)	(13)	-	(362)	-
At 31 March 2021	(3,590)	(115)	(763)	(61)	(112)	(4,641)	-
Charge for the year	(117)	-	(156)	(22)	-	(295)	-
Disposals	249	-	-	-	-	249	-
<b>At 31 March 2022</b>	<b>(3,458)</b>	<b>(115)</b>	<b>(919)</b>	<b>(83)</b>	<b>(112)</b>	<b>(4,687)</b>	<b>-</b>
<b>Net block</b>							
At 31 March 2021	162	-	417	56	-	635	8,522
<b>At 31 March 2022</b>	<b>221</b>	<b>-</b>	<b>261</b>	<b>34</b>	<b>-</b>	<b>516</b>	<b>8,522</b>

### Impairment tests for goodwill

In the year 2021 the Group acquired goodwill of Rs. 7,803 through acquisition of Aricent Technologies (Holdings) Limited (ATHL) (refer note 37(a))

Goodwill is monitored by management at the level of operating segments identified in note 40

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 2022	31 March 2021
Sales volume (annual growth rate)	8%	4%
Gross budgeted margin	30%	32%
Long-term growth rate	4%	3%
Pre-tax discount rate	12%	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.



## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

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 2022	31 March 2021
<b>7 Investments</b>		
<b>Non-current Investments carried at cost</b>		
<b>Quoted debt instruments</b>		
<b>Investment in secured debentures</b>		
6.75% Piramal Capital & Housing Finance Limited [207,330 (31 March 2021 - Nil) units of Rs. 975 each]	202	-
<b>Unquoted debt instruments</b>		
<b>Investment in secured debentures</b>		
7.65% IL&FS Financial Services Limited [28,000 (31 March 2021 - Nil) units of Rs. 1,000 each]	7	-
7.70% IL&FS Financial Services Limited [82,000 (31 March 2021 - Nil) units of Rs. 1,000 each]	21	-
7.85% IL&FS Financial Services Limited [24,000 (31 March 2021 - Nil) units of Rs. 1,000 each]	6	-
7.88% IL&FS Financial Services Limited [40,000 (31 March 2021 - Nil) units of Rs. 1,000 each]	10	-
8.00% IL&FS Financial Services Limited [28,400 (31 March 2021 - Nil) units of Rs. 1,000 each]	7	-
8.23% IL&FS Financial Services Limited [30,000 (31 March 2021 - Nil) units of Rs. 1,000 each]	8	-
8.3% IL&FS Limited [2,00,000 (31 March 2021 - Nil) units of Rs. 1,000 each]	50	-
8.51% IL&FS Financial Services Limited [34,500 (31 March 2021 - Nil) units of Rs. 1,000 each]	8	-
8.60% IL&FS Financial Services Limited [26,300 (31 March 2021 - Nil) units of Rs. 1,000 each]	7	-
8.7% IL&FS Financial Services Limited [545,000 (31 March 2021 - Nil) units of Rs. 1,000 each]	136	-
8.75% IL&FS Financial Services Limited [75,500 (31 March 2021 - Nil) units of Rs. 1,000 each]	19	-
8.85% Reliance Capital Limited [2 (31 March 2021 - Nil) units of Rs. 1,000,000 each]	1	-
9% IL&FS Limited [551 (31 March 2021 - Nil) units of Rs. 1,000,000 each]	138	-
9% IL&FS Limited [4 (31 March 2021 - Nil) units of Rs. 1,000,000 each]	1	-
9% Reliance Capital Limited [10 (31 March 2021 - Nil) units of Rs. 1,000,000 each]	3	-
9.05% IL&FS Limited [100 (31 March 2021 - Nil) units of Rs. 1,000,000 each]	25	-

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
9.10% IL&FS Financial Services Limited [35 (31 March 2021 - Nil) units of Rs. 1,000,000 each]	9	-
9.15% IL&FS Financial Services Limited [32 (31 March 2021 - Nil) units of Rs. 1,000,000 each]	8	-
<b>Investment in unsecured debentures</b>		
8.65% IL&FS Financial Services Limited [1,29,000 (31 March 2021 - Nil) units of Rs. 1,000 each]	1	-
8.68% IL&FS Financial Services Limited [42,500 (31 March 2021 - Nil) units of Rs. 1,000 each]	1	-
8.9% IL&FS Financial Services Limited* [44,000 (31 March 2021 - Nil) units of Rs. 1,000 each]	-	-
9.55% IL&FS Financial Services Limited* [6,000 (31 March 2021 - Nil) units of Rs. 1,000 each]	-	-
10.4% Reliance Capital Limited* [3 (31 March 2021 - Nil) units of Rs. 1,000,000 each]	-	-
<b>Unquoted equity instruments</b>		
<b>Investment in shares of bank</b>		
The Saraswat Co-operative Bank Limited* [1,530 (31 March 2021: 1,530) shares of Rs.10 each fully paid up]	-	-
The Kapol Co-operative Bank Limited* [10 (31 March 2021: 10) shares of Rs.10 each fully paid up]	-	-
	<b>668</b>	-
*amount below rounding off norm		
<b>Total non-current investments</b>		
Aggregate amount of quoted investments	202	-
Aggregate market value of quoted investments	196	-
Aggregate amount of unquoted investments	466	-
Aggregate amount of impairment in the value of investment	-	-
<b>8 Loans</b>		
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Loans to related parties (refer note 41)	766	225
<b>9 Other financial assets</b>		
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Security deposits	1,557	1,826
<b>Unsecured, considered doubtful</b>		
Security deposits	81	71
Less: Provision for doubtful deposits	81	71
	<b>1,557</b>	<b>1,826</b>

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>10 Deferred tax assets (net)</b>		
<b>Deferred tax liabilities</b>		
Goodwill	1,227	1,227
Cash flow hedges	5	85
Others	-	559
	<b>1,232</b>	<b>1,871</b>
<b>Deferred tax assets</b>		
Property, plant and equipment and intangible assets	276	517
Provisions - employee benefits	4,448	3,723
Provision for doubtful trade receivables	107	173
Merger expenses	33	41
MAT credit carried forward	2,492	6,213
Others	568	935
	<b>7,924</b>	<b>11,602</b>
<b>Net deferred tax asset (refer note 36)</b>	<b>6,692</b>	<b>9,731</b>
<b>11 Other non-current assets</b>		
Capital advances	284	490
Prepaid expenses	329	418
Prepayment of pension liability (refer note 39 (b)(i))	25	23
Balances with statutory/government authorities	1,116	1,085
Deferred contract costs	21	43
Other assets	475	28
	<b>2,250</b>	<b>2,087</b>
<b>12 Investments</b>		
<b>Current Investment carried at Fair Value Through Profit and Loss Mutual Funds (quoted)</b>		
Nil (31 March 2021 - 352,176) units in Axis Liquid Fund direct plan growth	-	805
Nil (31 March 2021 - 199,961) units in Invesco Liquid Fund - Direct Plan Growth	-	565
52,513 (31 March 2021 - 303,947) units in HDFC Liquid Fund - Growth - Direct	220	1,229
Nil (31 March 2021 - 157,073) units in IDFC Cash Fund -Regular Plan-Growth Direct Plan	-	390
84,966,471 (31 March 2021 - 62,425,950) units in IDFC Low Duration Fund Growth - Direct Plan	2,708	1,914
4,173,920 (31 March 2021 - 4,174,107) units in ICICI Prudential Saving Fund- Direct Plan - Growth	1,827	1,752
2,714,755 (31 March 2021 - 2,638,859) units in ICICI Prudential Liquid - Growth Direct Plan	856	805
748,388 (31 March 2021 - 4,078,648) units in Aditya Birla Sun Life Liquid Fund-Growth - Direct Plan (formerly Aditya Birla Sun Life Cash Plus - Growth Direct Plan)	257	1,352
Nil (31 March 2021 - 54,285) units in Tata Liquid Fund Direct Plan Growth	-	176
32,566,025 (31 March 2021 - 63,892,180) units in Kotak Savings Fund-Growth - Direct (formerly Kotak Treasury Advantage Direct Plan Growth)	1,174	2,216
299,373 (31 March 2021 - 262,488) units in HSBC Cash Fund Growth Direct Plan	635	538
17,381,382 (31 March 2021 - 17,381,382) units in HDFC Floating Rate Debt Fund - Short Term Plan Direct Plan Wholesale Option - Growth Option	697	666
788,938 (31 March 2021 - 212,634) units in Axis Treasury Advantage Fund - Direct Growth [TA- DG]	2,043	528

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## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
14,866,847 (31 March 2021 - 16,841,338) units in ICICI Prudential Money Market Fund - Direct Plan - Growth	4,563	4,973
Nil (31 March 2021 - 53,448) units in Kotak Liquid Direct Plan Growth	-	222
Nil (31 March 2021 - 4,639,352) units in Aditya Birla Sun Life Floating Rate Fund - Growth direct	-	1,256
927,648 (31 March 2021 - 1,536,826) units in Kotak Money Market Fund - Growth - Direct	3,358	5,354
65,405,663 (31 March 2021 - 65,405,663) units in IDFC Corporate Bond Fund Direct Plan- Growth	1,049	999
205,226 (31 March 2021 - 214,176) units in SBI Magnum Ultra Short Duration Fund Direct Growth	1,005	1,011
263,992 (31 March 2021 - 263,992) units in Invesco India Treasury Advantage Fund - Direct Plan Growth	838	806
239,410,073 (31 March 2021 - 149,118,726) units in HDFC Ultra Short Term Fund Direct Growth	2,972	1,780
9,767,562 (31 March 2021 - 4,107,113) units in Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan (formerly known as Aditya Birla Sun Life Floating Rate Fund Short Term Plan)	2,920	1,179
79,210 (31 March 2021 - Nil ) units in Invesco India Money Market Fund - Direct Plan Growth	201	-
Nil (31 March 2021 - 94,526) units in Nippon India Liquidity Fund Direct Plan Growth Plan Growth Option	-	476
75,907 (31 March 2021 - 166,181) units in SBI Liquid Fund Direct Growth	253	535
167,585 (31 March 2021 - 167,585) units in DSP Blackrock Liquidity Fund- Direct Plan Growth	510	493
Nil (31 March 2021 - 7,121) units in Birla sun Life Cash Plus -Growth -Direct Plan	-	2
433,849 (31 March 2021 - 202,068) units in Axis Banking and PSU debt Fund - Direct Growth [ BD-DG ]	949	424
2,036,336 (31 March 2021 - 817,535) units in Axis Money Market Fund Direct Growth	2,345	905
7,064,212 (31 March 2021 - 4,047,416) units Aditya Birla Sun Life Low Duration Fund Growth Direct	4,085	2,234
630,535 (31 March 2021 - 558,188) units in HDFC Money Market Fund Direct Plan Growth option	2,935	2,497
2,102,935 (31 March 2021 - 1,309,847) units in ICICI Prudential Over Night Fund - Direct Plan -Growth	241	145
21,758,997 (31 March 2021 - 21,758,997) units in IDFC Banking and PSU debt Fund - Direct Plan Growth	444	425
36,480,604 (31 March 2021 - 17,908,678) units in IDFC-Money Manager Fund- Growth Direct Plan	1,274	603
99,823 (31 March 2021 - 374,353) units in IDFC Cash Fund Growth Plan (Direct Plan)	257	931
Nil (31 March 2021 - 120,434) units in Invesco India corporate bond fund - Direct plan Growth	-	315
1,340,204 (31 March 2021 - 1,471,806) units in Nippon India Money Market Fund Direct Plan Growth Plan Growth Option	4,491	4,740
1,017,393 (31 March 2020 - 103,564 ) units in Tata money market Fund Direct plan Growth	3,891	380
88,082,450 (31 March 2021 - 33,918,076) units in SBI Savings Fund Direct Plan Growth	3,132	1,160
174,678 (31 March 2021 - Nil) units in Kotak Low Duration Fund Direct Growth	507	-
750,301 (31 March 2021 - Nil) units in Nippon India Low Duration Fund - Direct Growth Plan	2,378	-
26,52,732 (31 March 2021 - Nil ) units in Aditya Birla Sun Life Savings Fund-Growth - Direct Plan	1,181	-
2,02,22,908 (31 March 2021 - Nil ) units in IDFC Ultra Short Term Fund - Direct Plan - Growth	251	-
2,366,719 (31 March 2021: Nil ) units in ABSL Money Manager Fund	707	-
12,119,659 (31 March 2021: Nil) units in Nippon India Floating Rate Fund - Growth - Direct	457	-
Nil (31 March 2021 - 298644) units in HDFC Medium Term Opportunities Fund- Regular Plan- Growth	-	7
	<b>57,611</b>	<b>46,788</b>
<b>Total current investments</b>		
Aggregate amount of quoted investments	57,611	46,788
Aggregate market value of quoted investments	57,611	46,788
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investment	-	-

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2021	31 March 2020
<b>13 Trade receivables (unsecured)</b>		
Trade receivables - billed	<b>40,223</b>	34,529
Less: allowance for doubtful receivables	<b>279</b>	441
<b>Considered good</b>	<b>39,944</b>	34,088
Trade receivables - billed	<b>40</b>	203
Less: allowance for doubtful receivables	<b>40</b>	203
<b>Credit impaired</b>	<b>-</b>	-
	<b>(A)</b>	<b>39,944</b>
Trade receivables - unbilled	<b>(B)</b>	<b>8,724</b>
	<b>(A + B)</b>	<b>48,668</b>
<b>Trade receivables includes :</b>		
Dues from related parties - billed (refer note 41)	<b>32,731</b>	28,953
Dues from related parties - unbilled (refer note 41)	<b>7,776</b>	1,380
Dues from other than related parties - billed	<b>7,213</b>	5,135
Dues from other than related parties - unbilled	<b>948</b>	532

In determining the allowance for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for external 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.

### Ageing of Trade receivables

Particulars	Outstanding as on 31 March 2022 from the due date of payment							Total
	Unbilled	Not Due	Less than 6 Months	6 months -1year	1-2 years	2-3years	More than 3 years	
Undisputed Trade receivables – considered good	8,724	37,691	2,158	80	5	73	123	<b>48,854</b>
Disputed Trade receivables – considered good	-	-	-	-	-	-	93	<b>93</b>
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	40	<b>40</b>
	8,724	37,691	2,158	80	5	73	256	<b>48,987</b>
Less: Allowance for doubtful trade receivables								<b>319</b>
	8,724	37,691	2,158	80	5	73	256	<b>48,668</b>

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

Particulars	Outstanding as on 31 March 2021 from the due date of payment							Total
	Unbilled	Not Due	Less than 6 Months	6 months -1year	1-2 years	2-3years	More than 3 years	
Undisputed Trade receivables – considered good	1,912	13,111	20,044	735	294	85	166	<b>36,347</b>
Disputed Trade receivables – considered good	-	-	-	-	-	-	94	<b>94</b>
Disputed Trade Receivables – creditimpaired	-	-	-	-	-	-	203	<b>203</b>
	1,912	13,111	20,044	735	294	85	463	<b>36,644</b>
Less: Allowance for doubtful trade receivables								<b>644</b>
	1,912	13,111	20,044	735	294	85	463	<b>36,000</b>

31 March 2022 31 March 2021

### 14 Cash and cash equivalents

Balance with banks :

In current accounts	<b>2,886</b>	1,007
In EEFC accounts	<b>780</b>	2,201
In deposit accounts*	<b>3,273</b>	5,899
	<b>6,939</b>	9,107

\*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.

### 15 Bank balances other than cash and cash equivalents

#### Current

Balance with banks :

Held as margin money with custom authorities	<b>1</b>	1
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Deposit accounts include restricted bank balances Rs. 0.7 (31 March 2021 - Rs. 0.69) held as margin money deposit against guarantee and Rs.0.1 (31 March 2021 - Rs.0.1) held as margin money against Uttar Pradesh VAT.

### 16 Other financial assets

#### Current

##### Unsecured, considered doubtful

Security deposits	<b>78</b>	102
Less: Provision for doubtful deposits	<b>78</b>	102

##### Unsecured, considered good

Security deposits	<b>176</b>	244
Derivative asset	<b>30</b>	183
Advances to employees	<b>188</b>	67
Interest accrued on fixed deposit	<b>34</b>	119
Purchase consideration receivable (refer note 37 (b))	<b>22</b>	-
Others	<b>49</b>	17
	<b>499</b>	630

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>17 Other current assets</b>		
Prepaid expenses	4,196	2,870
Balances with Government authorities	238	223
Unbilled revenues	2,863	1,951
Advance to vendors	290	582
Deferred contract costs	21	21
Other assets	3	8
	<b>7,611</b>	<b>5,655</b>
<b>18 Equity share capital</b>		
<b>Authorised:</b>		
256,110,000 (31 March 2021 - 256,100,000) equity shares of Rs. 10 each (refer note (i) and (ii) below)	2,561	2,561
50,000,000 (31 March 2021 - 50,000,000) equity shares of Re. 1 each (refer note below)	50	50
10,800,000 (31 March 2021 - 10,800,000) compulsorily convertible preference shares ('CCPS') of Rs. 10 each	108	108
14,000,000 (31 March 2021 - 14,000,000) 5% 10 year redeemable non-cumulative preference shares of Rs. 10 each	140	140
<b>Issued, subscribed and fully paid up:</b>		
59,139,500 (31 March 2021 - 59,139,500) equity shares of Rs. 10 each	591	591

### Notes -

- (i) The authorised share capital of the Company was increased to 256,110,000 equity shares of Rs. 10 each from 256,100,000 equity shares of Rs. 10 each w.e.f. 01 April 2021 pursuant to approval of the Scheme of Amalgamation of Solcen Technologies Private Limited vide order of National Company Law Tribunal, Mumbai bench dated 11 March 2022.
- (ii) During the previous year, the authorised share capital of the Company was 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.

There was 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.

The authorised share capital of the Company had 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 2022		31 March 2021	
	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

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

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 2022		31 March 2021	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares of Rs. 10 each, fully paid-up, held by</b>				
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

The shareholding of the promoters is similar to above. There is no percentage change in the promoter shareholding during the current year.

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

	31 March 2022		31 March 2021	
	Number of shares	% of total shares in the class	Number of shares	% of total shares in the class
<b>Equity shares of Rs. 10 each, fully paid-up, held by</b>				
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 forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>19 Other equity</b>		
<b>Attributable to the equity holders of the parent</b>		
<b>Reserves and surplus</b>		
<b>Capital reserve</b>		
Opening balance	-	-
Additions pursuant to business combination (refer note 37 (a))	-	(1,708)
Capital reserve arising on business combination (refer note 37 (a))	-	(41,696)
Debit balance of capital reserve net off with retained earnings as per Ind AS 103	-	43,404
	-	-
<b>Building revaluation reserve</b>		
Balance as at the beginning / end of the year	1	1
<b>Securities premium</b>		
Opening balance	1,327	836
Additions pursuant to business combination (refer note 37 (a))	-	491
	1,327	1,327
<b>Capital redemption reserve</b>		
Opening balance	3,812	330
Additions pursuant to business combination (refer note 37 (a))	-	3,482
	3,812	3,812
<b>General reserve</b>		
Balance as at the beginning / end of the year	1,432	1,432
<b>Share based payment reserve</b>		
Opening balance	2,669	730
Employee stock compensation expense for the year (refer note 47)	1,374	1,172
Employee stock compensation previously classified as liability awards now classified as equity awards (refer note 47)	-	1,281
Recharge of share based payment from ultimate parent company	(556)	(514)
	3,487	2,669
<b>Special Economic Zone re-investment reserve</b>		
Opening balance	663	296
Utilisation from Special Economic Zone re-investment reserve	(182)	(113)
Transferred to Special Economic Zone re-investment Reserve (during previous year it includes an amount of Rs 130 for the year 2019-20)	664	480
	1,145	663

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>Retained earnings</b>		
Opening balance	1,16,554	1,24,155
Additions pursuant to business combination (refer note 37 (a))	-	19,751
Debit balance of capital reserve net off with retained earnings as per Ind AS 103	-	(43,404)
Recharge of share based payment from ultimate parent company	(931)	(430)
Utilisation from Special Economic Zone re-investment reserve	182	113
Transferred to Special Economic Zone re-investment reserve	(664)	(480)
Profit for the year	23,024	16,849
	<b>1,38,165</b>	<b>1,16,554</b>
<b>Total reserves and surplus</b>	<b>1,49,369</b>	<b>1,26,458</b>
<b>Items of Other comprehensive income</b>		
<b>Cash flow hedging reserve</b>		
Opening balance	102	(127)
Additions pursuant to business combination (refer note 37 (a))	-	(216)
Other comprehensive income for the year	(87)	445
	<b>15</b>	<b>102</b>
<b>Exchange differences on translation of foreign operations</b>		
Opening balance	26	30
Other comprehensive income for the year	28	(4)
	<b>54</b>	<b>26</b>
<b>Remeasurements of post-employment benefit obligations</b>		
Opening balance	(537)	(3,399)
Other comprehensive income for the year	(1,477)	2,862
	<b>(2,014)</b>	<b>(537)</b>
<b>Total of items of other comprehensive income</b>	<b>(1,945)</b>	<b>(409)</b>
<b>Total of other equity</b>	<b>1,47,424</b>	<b>1,26,049</b>

### 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 forming part of consolidated financial statements (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 Consolidated 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 47).

**(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 should be utilised by the Company 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) Cash flow hedging reserve**

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 Consolidated 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 Consolidated Statement of Profit and Loss.

	31 March 2022	31 March 2021
<b>20 Lease liabilities</b>		
<b>Non-current</b>		
Lease liabilities	5,959	7,189
<b>Break-up of current and non-current lease liabilities:</b>		
<b>Particulars</b>		
Current lease liabilities	1,928	2,442
Non-current lease liabilities	5,959	7,189
<b>Total</b>	<b>7,887</b>	<b>9,631</b>
<b>Movement in lease liabilities during the year ended:</b>		
<b>Particulars</b>		
Lease liabilities at the beginning of the year	9,631	8,885
Additions pursuant to business combination (refer note 37 (a) and (b))	-	1,997
Addition	1,652	1,985
Disposal	(1,062)	(636)
Interest expense	642	843
Lease payments	(2,976)	(3,443)
<b>Lease liabilities at the end of the year</b>	<b>7,887</b>	<b>9,631</b>

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>21 Other non-current financial liabilities</b>		
Deferred purchase consideration	-	64
Bonus and incentives	-	4
	<b>-</b>	<b>68</b>
<b>22 Other non-current liabilities</b>		
Others	<b>127</b>	124
<b>23 Provisions</b>		
<b>Non-current</b>		
<b>Provision for employee benefits</b>		
Gratuity (refer note 39(a))	<b>6,230</b>	4,020
Compensated absences (refer note 39(d))	-	9
Pension (refer note 39(b)(ii))	-	234
Other defined benefit obligation (refer note 39 (c)(ii))	-	491
<b>Other provision</b>		
Provision for site restoration (refer note (a) below)	<b>55</b>	52
Other provisions (refer note (b) below)	<b>562</b>	562
	<b>6,847</b>	5,368
<b>(a) Movement in provision for site restoration</b>		
Balance as at the beginning of the year	<b>58</b>	-
Addition on account of business combination (refer note 37 (a))	-	56
Additions	<b>3</b>	2
Balance as at the end of the year	<b>61</b>	58
Current	<b>6</b>	6
Non Current	<b>55</b>	52
	<b>61</b>	58
<b>(b) Movement in other provisions</b>		
Balance as at the beginning of the year	<b>562</b>	396
Additions	-	166
Balance as at the end of the year	<b>562</b>	562
Current	-	-
Non Current	<b>562</b>	562
	<b>562</b>	562

Other provision mainly consists of certain service tax related matters on input services amounting to Rs. 396 (31 March 2021 - 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 forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>24 Trade and other payables</b>		
Due to micro and small enterprises	396	12
Due to other than micro and small enterprises	7,924	6,465
	<b>8,320</b>	<b>6,477</b>
<b>Trade and other payable includes :</b>		
Dues to related party (refer note 41)	3,288	3,096
Other payables	5,032	3,381

### Ageing of trade and other payables

Particulars	Outstanding as on 31 March 2022 from the due date of payment						Total
	Provision	Not Due	Less than 1 year	1-2 years	2-3years	More than 3 years	
<b>Undisputed trade payables</b>							
MSME	-	134	258	4	-*	-*	396
Others	3,186	2,926	1,669	78	5	60	7,924
	3,186	3,060	1,927	82	5	60	8,320

Particulars	Outstanding as on 31 March 2021 from the due date of payment						Total
	Provision	Not Due	Less than 1 year	1-2 years	2-3years	More than 3 years	
<b>Undisputed trade payables</b>							
MSME	-	-*	12	-*	-	-	12
Others	2,792	2,138	1,125	34	327	49	6,465
	2,792	2,138	1,137	34	327	49	6,477

\*amount below rounding off norm

### 25 Lease liabilities

#### Current

Lease liabilities	1,928	2,442
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### 26 Other financial liabilities

#### Current

Capital creditors and other payables	583	289
Payable for retention money	124	107
Bonus and incentives	2,586	1,929
Employees salaries payable	991	1,390
Deferred purchase consideration (refer note 37 (b))	13	-
Other financial liabilities	558	392
	<b>4,855</b>	<b>4,107</b>

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>27 Other current liabilities</b>		
Unearned revenue	805	473
Statutory dues payable*	4,994	3,802
Advance from customers	23	66
Other current liabilities	-	80
	<b>5,822</b>	<b>4,421</b>
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	329	236
Tax Deducted at Source payable	3,238	2,803
Provident Fund payable	1,392	574
Profession Tax payable	30	184
Employees State Insurance payable	5	5
	<b>4,994</b>	<b>3,802</b>
<b>28 Provisions</b>		
<b>Current</b>		
<b>Provision for employee benefits</b>		
Compensated absences (refer note 39(d))	8,807	6,845
Gratuity (refer note 39(a))	142	134
Pension (refer note 39(b)(ii))	-	20
Other defined benefit obligation (refer note 39(c)(ii))	1,134	1,063
<b>Other provision</b>		
Provision for site restoration	6	6
Provision for warranty (refer note (a) below)	33	31
	<b>10,122</b>	<b>8,099</b>
<b>(a) Movement in provision for warranty</b>		
Balance as at the beginning of the year	31	-
Addition on account of business combination (refer note 37 (a))	-	27
Additions	2	4
Balance as at the end of the year	<b>33</b>	<b>31</b>
Current	<b>33</b>	<b>31</b>
Non Current	-	-
	<b>33</b>	<b>31</b>

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>29 Revenue from operations</b>		
Revenue from software operations	226,229	176,400
Revenue from sale of products	59	83
	<b>226,288</b>	<b>176,483</b>
Revenue from software operations includes Rs.3,042 (previous year Rs.3,425) towards out of pocket expenses reimbursed by the customers.		
<b>Disaggregate revenue information</b>		
The table below presents disaggregated revenues from contracts with customers by contract type and geography :		
<b>Revenue by contract type :</b>		
Time & material contracts	218,449	166,882
Fixed price contracts	3,260	2,243
Fixed price maintenance contracts	4,520	7,275
Product Licence & maintainance	59	83
<b>Total</b>	<b>226,288</b>	<b>176,483</b>
<b>Revenue by geography:</b>		
India	33,473	25,388
Europe	93,713	74,517
America	86,133	68,038
Rest of the world	12,969	8,540
<b>Total</b>	<b>226,288</b>	<b>176,483</b>
<b>Reconciliation of revenue recognized with the contracted price is as follows :</b>		
Contracted price	226,769	176,804
less: Discounts	481	321
<b>Revenue recognised</b>	<b>226,288</b>	<b>176,483</b>

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2022 is Rs 2,574 (31 March 2021 : Rs 2,456). Out of this, the Group expects to recognize revenue of around 99.7% (31 March 2021: 97.9%) 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 2022		31 March 2021	
	Contract assets / Unbilled revenue	Contract liabilities	Contract assets / Unbilled revenue	Contract liabilities
<b>Opening balance</b>	<b>1,951</b>	<b>(473)</b>	5,952	(310)
Addition on account of business combination	-	-	132	(74)
Revenue recognised during the year	2,863	473	1,951	384
Invoices raised during the year	(1,951)	(805)	(6,084)	(473)
Balances as at the end of the year	<b>2,863</b>	<b>(805)</b>	1,951	(473)

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 forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>30 Other income</b>		
Interest on deposits with banks	108	587
Rent income	18	45
Other interest (including interest on income tax and service tax refunds)	21	13
Profit on sale of non-current investments (refer note (a) below)	65	-
Income on mutual funds	2,255	2,772
Gain on sale of net assets of branches (refer note (b) below)	749	-
Provisions no longer required written back	151	24
Profit on sale / disposal of assets (net)	171	169
Export incentives	-	72
Other miscellaneous income	261	228
Net gain on foreign currency transactions	563	65
	<b>4,362</b>	<b>3,975</b>
(a) During the year, the Company liquidated its investment in Annik UK Ltd. amounting to Rs. 6 and recognised profit of Rs.5 and during previous year, liquidated its investment in Dalian Liquidhub Consulting Services Limited Company amounting to Rs. 8 and recognised profit of Rs. 4.		
(b) During the year, net assets of Aricent Technologies (Holdings) Limited's US, Canada and Germany branches were sold to Capgemini US Inc, Capgemini Canada Inc and Altran Deutschland S.A.S & Co. KG respectively on slump sale basis. For US and Canada branches net assets excluding cash were transferred, for Germany branch net assets excluding cash, tax assets and liabilities were transferred. The gain as result of these transactions is as per below table:		
US branch	350	
Canada branch	81	
Germany branch	318	
	<b>749</b>	
<b>31 Employee benefits expense</b>		
Salaries, bonus and incentives	148,005	113,817
Contribution to provident and other funds (refer note 39(c))	6,283	5,185
Retirement benefits expense (refer note 39(a) & 39(b))	1,936	1,836
Compensated absences	4,207	1,603
Employee stock compensation expense (refer note 47)	1,374	1,172
Staff welfare expenses	1,687	620
	<b>163,492</b>	<b>124,233</b>
<b>32 Finance costs</b>		
Interest on lease obligations	642	843
Interest on Tax	112	78
Unwinding of asset restoration provision	3	3
Other interest	2	3
	<b>759</b>	<b>927</b>



## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>33 Depreciation and amortisation expenses</b>		
Depreciation of property, plant and equipment (refer note 3)	5,903	5,092
Depreciation of right-of-use assets (refer note 4)	2,557	2,930
Amortisation of intangible assets (refer note 6)	295	362
	<b>8,755</b>	<b>8,384</b>
<b>34 Other expenses</b>		
Sub-contracting expenses	6,811	4,808
Repairs and maintenance:		
- Buildings	936	1,012
- Computer and network maintenance	1,053	1,347
- Office maintenance	1,291	1,683
- Others	402	80
Rent	275	415
Rates and taxes (net)	391	75
Insurance	87	73
Power and fuel	755	767
Stores and spares	-	27
Advertisement and sales promotion	157	75
Communication	1,384	991
Travelling and conveyance	1,397	1,908
Legal and professional fees	929	843
Bank charges	33	42
Auditors' remuneration	48	53
Merger and reorganization expenses	72	32
Expenditure towards corporate social responsibility initiatives (refer note (a) below)	1,011	546
Software and hardware expenses	3,246	2,110
Provision for doubtful trade receivables written (back)/off	(326)	(178)
Bad trade receivables written off	334	319
Provision for doubtful security deposits	(14)	61
Provision for warranty	2	5
Group management fee	1,387	1,302
Training and recruitment	3,455	1,660
Directors sitting fees	2	1
Miscellaneous expenses	722	734
	<b>25,840</b>	<b>20,791</b>

- (a) In respect of one of the subsidiary namely Aricent Technologies (Holdings) Limited (ATHL), the gross amount required to be spent by ATHL on CSR activities is INR 59 million (31 March 2021: INR 68 million). The total expenditure incurred on 'Corporate Social Responsibility Activities' by ATHL for the current year is INR 31 million (31 March 2021: INR 57 million). The unspent amount of INR 28 million was spent by ATHL on April 5, 2022, however the process for making the payment was initiated before the year end and delay was only due to administrative purposes.

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>35 Statement of other comprehensive income</b>		
<b>(i) Items that will not be reclassified subsequently to Statement of Profit and Loss</b>		
Remeasurements of post-employment benefit obligations (Net)	(2,114)	3,882
Income tax relating to above item	638	(1,014)
<b>(ii) Items that will be reclassified subsequently to Statement of Profit and Loss</b>		
Net (loss) / gain on cash flow hedges	(138)	691
Income tax relating to above item	49	(241)
Exchange differences on translation of foreign operations	28	(4)
	<b>(1,537)</b>	<b>3,314</b>

## 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	9,384	7,222
Adjustments for current tax of prior periods	(116)	(559)
	<b>9,268</b>	<b>6,663</b>

#### 2. Deferred income tax

Deferred tax charged	(943)	3,618
Adjustment of deferred tax for prior periods	409	(847)
MAT Credit	-	(194)
	<b>(534)</b>	<b>2,577</b>

#### Tax expense for the year

**8,734** **9,240**

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

	31 March 2022			31 March 2021		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
<b>Items that will not be reclassified subsequently to Statement of Profit and Loss</b>						
Remeasurements of post-employment benefit obligations (net)	(2,114)	638	(1,476)	3,882	(1,014)	2,868
<b>Items that will be reclassified subsequently to Statement of Profit and Loss</b>						
Net (loss) / gain on cash flow hedges	(138)	49	(89)	691	(241)	450
Exchange differences on translation of foreign operations	28	-	28	(4)	-	(4)
	<b>(2,224)</b>	<b>687</b>	<b>(1,537)</b>	<b>4,569</b>	<b>(1,255)</b>	<b>3,314</b>

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>(c) Reconciliation of effective tax rate</b>		
<b>Profit before tax</b>	<b>31,804</b>	26,123
Tax using the Group's domestic tax rate (Current year and previous year 34.944%)	<b>11,114</b>	9,135
<b>Tax effect of:</b>		
Tax effect due to income tax holidays	<b>(2,950)</b>	(2,288)
Expenses not deductible for tax purposes	<b>291</b>	130
Effect of change in tax rates	<b>384</b>	305
Reversal of DTA on account of change in tax laws	-	3,605
Income taxes relating to prior years	<b>293</b>	(1,600)
Others	<b>(398)</b>	(47)
<b>Total income tax expense</b>	<b>8,734</b>	9,240
<b>Effective Tax Rate</b>	<b>27.46%</b>	<b>35.37%</b>

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 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. 2,949 and Rs. 2,288 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. 482 (31 March 2021 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 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.

However, in accordance with the accounting standards, the Company has evaluated the deferred tax asset balance as on 31 March 2022 and has reversed an amount of Rs. 384 (31 March 2021 Rs 305) through the Statement of Profit and Loss, 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)) had 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.

During the previous year, 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 were no longer eligible for tax depreciation on goodwill and accordingly had reversed during the previous 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.

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>(d) Income tax assets and liabilities</b>		
Income tax assets (net)*	14,240	9,418
Income tax liabilities (net)	2,450	2,570

\* Includes deposits paid under dispute of Rs. 10,663 (31 March 2021 - Rs. 6,900)

## (e) Movement in deferred tax balances

	Net balance 1 April 2021	Recognised in Statement of Profit and Loss	Recognised in OCI	Utilisation of tax credits	Net balance 31 March 2022
<b>Deferred tax liabilities</b>					
Goodwill	1,227	-	-	-	1,227
Cash flow hedges	85	(31)	(49)	-	5
Others	559	(559)	-	-	-
	1,871	(590)	(49)	-	1,232
<b>Deferred tax assets</b>					
Property, plant and equipment and intangible assets	517	(241)	-	-	276
Provisions - employee benefits	3,723	628	638	(541)	4,448
Provision for doubtful trade receivables	173	(66)	-	-	107
Merger expenses	41	(8)	-	-	33
MAT Credit carried forward	6,213	(2)	-	(3,719)	2,492
Others	935	(367)	-	-	568
	11,602	(56)	638	(4,260)	7,924
<b>Deferred tax asset/(liability) net</b>	<b>9,731</b>	<b>534</b>	<b>687</b>	<b>(4,260)</b>	<b>6,692</b>

	Net balance 1 April 2020	Business combination	Recognised in Statement of Profit and Loss	Recognised in OCI	Utilisation of tax credits	Net balance 31 March 2021
<b>Deferred tax liabilities</b>						
Goodwill	-	1,481	(254)	-	-	1,227
Cash flow hedges	-	-	31	54	-	85
Others	-	643	(84)	-	-	559
	-	2,124	(307)	54	-	1,871
<b>Deferred tax asset</b>						
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
<b>Deferred tax asset/(liability) net</b>	<b>12,242</b>	<b>1,870</b>	<b>(2,577)</b>	<b>(1,255)</b>	<b>(549)</b>	<b>9,731</b>

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

The Group has utilised MAT credits amounting to Rs. 4,260 and 1,080 (net) 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. Nil as of 31 March 2022 (31 March 2021: Rs. 4) that are available for offsetting in the future years against future taxable profits.

### Tax losses carried forward

	31 March 2022	31 March 2021
Expire	-	-
Never Expire	-	4

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 Company has not recognized deferred tax liability on undistributed profits amounting to Rs. 25,913 as at 31 March 2022 and Rs.23,187 as at 31 March 2021 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.

## 37 Acquisition of subsidiaries

### (a) 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 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. 41,696 is credited to capital reserve in accordance with Ind AS 103 'Business Combinations' for companies under common control.

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

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
<b>Total assets acquired</b>	<b>163,681</b>	<b>31,872</b>	<b>195,553</b>
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
<b>Total liabilities acquired</b>	<b>38,806</b>	<b>8,338</b>	<b>47,144</b>
<b>Group's share of reserves acquired</b>			
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
	<b>124,284</b>	<b>21,800</b>	<b>146,084</b>

## Notes forming part of consolidated financial statements (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
<b>Non controlling interests (NCI)</b>			
Shares held by non controlling interest	-	23	23
Share of NCI in reserves of ATHL	-	388	388
	-	<b>411</b>	<b>411</b>

### Calculation of capital reserve

Share capital of ATHL eliminated against purchase consideration	1,289
Reserves of ATHL eliminated - deemed contribution from parent company	33
	<b>1,322</b>
Purchase consideration	43,018
<b>Capital reserve arising on business combination under common control</b>	<b>41,696</b>

\*Based on, consolidated financial statements for ATHL as of 31 March 2020 audited by other auditors.

### (b) Solcen Technologies Private Limited

As per agreement dated 21 October 2020, CTSIL acquired 100 percent of the equity shares of STPL, for a total consideration (which includes deferred consideration) of Rs.536 million from Surya Software Systems Private Limited (SSSPL) and Chanel Limited.

Out of the total purchase consideration, Rs.472 million was paid during the previous year and Rs 64 million was accounted as deferred consideration.

During the current year, purchase consideration amounting to Rs 19 million was paid and there is a reduction in purchase consideration payable by Rs.53 million. A recoverable balance has been recognised of Rs. 22 under 'Current financial assets'. This reduction is accounted as Income during the current year.

Balance purchase consideration of Rs 13 payable is shown under 'Current financial liabilities' will be payable in financial year 2022-23.

The purchase price has been allocated as follows based on the fair values of assets acquired and liabilities:

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
Investments	7
Other current assets	33
<b>Total assets acquired (A)</b>	<b>207</b>
Lease liabilities	31
Provisions	51
Liabilities for current tax (net)	14
Other current liabilities	1
Income tax liabilities (net)	
<b>Total liabilities acquired (B)</b>	<b>97</b>
<b>Net assets acquired (C=A-B)</b>	<b>110</b>

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

Particulars	Amount
Non Compete	65
Customer Relationships	114
Goodwill arising on business combination	247
<b>Total purchase consideration (D)</b>	<b>536</b>

\*below rounding off norm

### 38 Amalgamation of wholly owned subsidiaries

#### (a) 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.

#### (b) 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 (LHA) and Liquidhub India Private Limited (LHI) ('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.

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 Appendix C of Ind AS 103 'Business Combinations' companies under common control upto the previous year.

#### (c) 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.

The Group acquired 98.25 percent of the equity shares of ATHL on 23 November 2020 (refer note 37(c)). Consequently, the net assets of ATHL acquired as on 1 April 2020 includes balances of ATPL.

#### (d) Solcen Technologies Private Limited

The Board of Directors, at their meeting held on 26 May 2021, approved the Scheme of Amalgamation ('the Scheme') of Solcen Technologies Private Limited (STPL) ('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 STPL with the Company. NCLT approved the Scheme of Amalgamation on 11 March 2022 effective 1 April 2021 (appointed date).

In terms of the Scheme of Amalgamation, the whole of the undertaking of STPL as a going concern stands transferred to and vested in the Company with effect from the appointed date. STPL was primarily engaged in providing software services and solutions for systems implementation, configuration, and maintenance and implementation services. The said amalgamation was accounted for under the "acquisition method" as prescribed under provisions of Ind AS 103 'Business Combinations'.



## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

### 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 2022	31 March 2021
<b>Present value of defined benefit obligation</b>		
Projected benefit obligation at the beginning of the year	9,851	7,054
Projected benefit obligation assumed on acquisition (refer note 37 (a) and (b))	6	1,540
Current service cost	1,727	1,546
Past service cost	-	3
Interest cost	598	524
Benefits paid	(1,847)	(773)
Actuarial loss / (gain)	482	(43)
<b>Projected benefit obligation at the end of the year</b>	<b>(A) 10,817</b>	<b>9,851</b>
<b>Fair value of plan asset</b>		
Fair Value of plan assets at beginning of the year	5,697	3,838
Fair Value of plan assets assumed on acquisition (refer note 37 (a) and (b))	-	83
Contributions by employer	258	2,256
Expected return	406	245
Actuarial (loss) / gain	(69)	37
Benefits paid	(1,847)	(762)
<b>Fair Value of plan assets at end of the year</b>	<b>(B) 4,445</b>	<b>5,697</b>
	<b>(A-B) 6,372</b>	<b>4,154</b>
<b>Amounts in the Consolidated Balance Sheet</b>		
Liabilities		
Current	142	134
Non-current	6,230	4,020
<b>Included in OCI</b>		
Opening amount recognised in OCI outside the Consolidated Statement of Profit and Loss	(545)	(467)
OCI recognized on account of acquisition	(13)	-
Actuarial loss/ (gain) arising from:		
Demographic assumptions	(48)	81
Financial assumptions	865	(28)
Experience adjustment	(335)	(94)
Return on plan assets excluding interest income	69	(37)
	<b>(7)</b>	<b>(545)</b>

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>Expense recognised in the Consolidated Statement of Profit and Loss</b>		
Current service cost	1,727	1,546
Past Service cost	-	3
Interest cost	598	524
Expected return on plan assets	(406)	(244)
<b>Total included in "Employee benefit expense" (refer note 31)</b>	<b>1,919</b>	<b>1,829</b>

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 2022	31 March 2021
<b>Category of Assets</b>	<b>%</b>	<b>%</b>
Insurer managed funds	97%	97%
Others	3%	3%

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

Salary escalation rate	7% - 9%	6.65% - 14%
Discount rate	6.80%	6.25% - 7.02%

The average duration of remaining service of employees in the Group as on 31 March 2022 is in the range 6.49 to 7.30 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 2022, every 0.5 percentage point increase / (decrease) in discount rate will result in (decrease) / increase of gratuity benefit obligation by approximately Rs.(397) and Rs. 422 respectively.

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.

(ii) As of 31 March 2022 every 0.5 percentage point increase/ (decrease) in expected rate of salary will result in increase / (decrease) of gratuity benefit obligation by approximately Rs. 412 and Rs. (392) respectively.

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.

	31 March 2022
Expected benefit payments are as follows:	
Year ending 31 March	
2023	1,130
2024 - 2027	4,682
Thereafter	20,788

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

### (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 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 2022	31 March 2021
<b>Present value of defined benefit obligation</b>		
Projected benefit obligation at the beginning of the year	24	23
Current service cost	1	1
Interest cost	2	1
Actuarial losses / gain	(1)	(1)
Benefits paid	*	-
<b>Projected benefit obligation at the end of the year</b>	<b>(A) 26</b>	<b>24</b>
<b>Fair value of plan assets</b>		
Fair Value of plan assets at beginning of the year	59	54
Expected return	4	4
Contributions by the Company	1	1
Benefits paid	*	-
<b>Fair value of plan assets at end of the year</b>	<b>(B) 64</b>	<b>59</b>
<b>Amount not recognised as an asset (in accordance with Ind AS 19 para 64(b))</b>	<b>(C) 13</b>	<b>12</b>
	<b>(A-B+C)</b>	<b>(23)</b>
<b>Amount recognised in the Consolidated Balance Sheet</b>		
<b>Assets</b>		
Non-current	25	23
Opening value of asset ceiling	12	10
Interest on opening balance of asset ceiling	1	1
Remeasurements due to:		
Change in surplus/ deficit	*	1
Closing value of asset ceiling	13	12
<b>Included in OCI</b>		
Opening amount recognised in OCI outside the Consolidated Statement of Profit and Loss	(9)	(8)
Remeasurement loss / (gain):		
Return on plan assets excluding interest income	(1)	-
Adjustments to recognise the effect of asset ceiling	*	-
Financial assumptions	2	-
Experience adjustment	(2)	(1)
	<b>(10)</b>	<b>(9)</b>
<b>Expense recognised in the Consolidated Statement of Profit and Loss</b>		
Current Service Cost	1	1
Interest cost	(1)	1
Expected return on plan assets	-	-
<b>Total included in "Employee benefits expense" (refer note 31)</b>	<b>*</b>	<b>2</b>

\*amount below rounding off norm

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>Category of Assets</b>	<b>%</b>	<b>%</b>
Insurer Managed Funds	100%	100%
The Company provides the pension benefit through contributions to a fund managed by a trust.		
<b>The principal assumptions used in determining pension benefit are shown below:</b>		
Discount rate (p.a)	6.80%	6.40%
Salary escalation rate	9.00%	7.00%

**(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 2022 is Rs.Nil**

	31 March 2022
Expected benefit payments are as follows:	
Year ending March 31	
2023*	-
2024	3
2025*	-
2026*	-
2027*	-
thereafter	33
*below rounding off norm	

**(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 ATHL.

	31 March 2022	31 March 2021
<b>Present Value of defined benefit obligation</b>		
Projected benefit obligation at the beginning of the year	254	-
Projected benefit obligation acquired on business combination (refer note 37(a))	-	236
Current service cost	1	2
Interest cost	2	3
Exchange gain / (loss)	(5)	8
Actuarial losses / (gain)	(15)	8
Benefits paid	(2)	(3)
Liabilities transferred as part of branch slump sale	(235)	-
<b>Projected benefit obligation at the end of the year</b>	<b>-</b>	<b>254</b>
<b>Amount recognised in the Consolidated Balance Sheet</b>		
Liability		
Current	-	20
Non-current	-	234

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>Expense recognised in the Consolidated Statement of Profit and Loss</b>		
Current Service Cost	1	2
Interest cost	2	3
<b>Total included in "Employee benefits expense" (refer note 31)</b>	<b>3</b>	<b>5</b>
<b>Included in OCI</b>		
Changes on account of Financial assumptions	(15)	8
	<b>(15)</b>	<b>8</b>

### (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. 3,871 for the year (31 March 2021: Rs. 945). These contributions are charged to the Consolidated Statement of Profit and Loss as they accrue.

#### (ii) Defined Benefit Plan

The Group had a defined benefit plan for provident fund through three trusts. During the year, the Group filed an application for surrender of exemption granted from the EPF Scheme, 1952 w.e.f. 1 July 2021 for the EPF trusts i.e., Capgemini India Private Limited Employees' Provident Fund, Capgemini Business Services (India) Limited - Employees' Provident Fund and Aricent Employees Provident Fund Trust. The surrender application was filed with Regional Provident Fund Commissioner (RPFC) Pune, Bengaluru and Delhi respectively. The applications were accepted by the RPFC and the group surrendered its trusts with effect from 1 July 2021. As a process of transfer of activities to RPFC, all the investments held by the Trust were liquidated and the liabilities as on 30 June 2021 were transferred to RPFC. A deficit funding of Rs. 916 was made by the Company during the year prior to surrender of the trusts.

As on 30 June 2021, the Group determined its liability at Rs. 2,265 in respect of provident fund based on actuarial valuation. Post the surrender of the trusts, and funding the deficit of Rs 1,130, the Group is carrying a liability of Rs.1,134 as on 31 March 2022.

Post the surrender, i.e. from 1 July 2021, the provident fund is accounted as defined contribution plan as mentioned in 39(c)(i)

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.

	30 June 2021	31 March 2021
<b>Present value of defined benefit obligation</b>		
Projected benefit obligation at the beginning of the year	51,133	40,225
Projected benefit obligation assumed on acquisition	-	7,258
Current service cost	641	2,391
Interest cost	817	3,026
Actuarial (gain)/ losses	307	(149)
Employees contribution	990	3,832
Liabilities transferred in / (out)	577	1,377
Benefits paid	(2,063)	(6,827)
<b>Projected benefit obligation at</b>	<b>(A) 52,402</b>	<b>51,133</b>
<b>Fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	49,579	35,264
Fair Value of plan assets assumed on acquisition	-	6,681
Expected return	792	3,344

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	30 June 2021	31 March 2021
Remeasurements due to :		
Actual return on plan assets less interest on plan assets	(3,591)	438
Movement on account of asset diminution	2,312	2,587
Employer contribution during the year	1,542	2,883
Employee contribution during the year	990	3,832
Assets transferred in / (out)	577	1,377
Benefits paid	(2,063)	(6,827)
<b>Fair Value of plan assets at</b>	<b>(B)</b>	
	<b>50,138</b>	<b>49,579</b>
<b>Deficit funding post surrender</b>	<b>(C)</b>	
	<b>1,130</b>	<b>-</b>
<b>Amount recognised in Consolidated Balance Sheet</b>	<b>(A-B-C)</b>	
	<b>1,134</b>	<b>1,554</b>
<b>Amounts in the Consolidated Balance Sheet:</b>		
Liabilities		
Current	1,134	1,063
Non-current	-	491
<b>Expense recognised in the Consolidated Statement of Profit and Loss</b>		
Current service cost	641	2,391
Interest cost	817	2,575
Expected return on plan assets	(792)	(2,240)
<b>Total included in "Employee benefits expense" (refer note 31)</b>	<b>666</b>	<b>2,726</b>
<b>Amounts included in OCI</b>		
Opening amount recognised in OCI outside the Statement of Profit and Loss	1,091	4,920
Actuarial loss/ (gain) arising from:		
Financial assumptions	99	(906)
Experience adjustment	209	756
Actual return on plan assets less interest on plan assets plus shortfall on asset diminution	1,279	(3,679)
<b>Closing amount recognised in OCI outside the Statement of Profit and Loss</b>	<b>2,678</b>	<b>1,091</b>
<b>Plan Asset Category</b>		
Government securities	53%	61%
Corporate bonds	29%	31%
Equity linked mutual funds	2%	2%
Bank balance	14%	4%
Others	2%	2%
	<b>100%</b>	<b>100%</b>

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

The Group provides the provident fund benefit through monthly employer and employee contributions to a fund managed by a trust.

	30 June 2021	31 March 2021
<b>The principal assumptions used in determining the defined benefit obligation are as follows:</b>		
Discount rate	<b>6.20% to 6.30%</b>	6.30% to 6.40%
Expected rate of return on plan assets	<b>7.90% to 9.00%</b>	7.90% - 9.10%
Discount rate for the remaining term to maturity of investment	<b>6.45% to 6.5%</b>	6.55% - 6.80%
Average historic yield on the investment	<b>9.16% to 9.25%</b>	8.40% - 9.25%
Guaranteed rate of return	<b>8.50%</b>	8.50%
The average duration of remaining service of employees in the Group as on 31 March 2022 is in the range 6.49 to 7.30 years.		

(iii) The Group contributed Rs. 1,738 (31 March 2021 Rs. 1,514) 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 2022	31 March 2021
Current provisions (refer note 28)	<b>8,807</b>	6,845
Non-current provisions (refer note 23)	-	9
	<b>8,807</b>	6,854
<b>Actuarial assumptions</b>		
Discount rate	<b>6.80%</b>	6.25% to 7.02%
Salary escalation rate	<b>7% to 9%</b>	6.65% to 14%

## 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 2022	31 March 2021
<b>(a) Revenue</b>		
- India	<b>33,473</b>	25,388
- Europe	<b>93,713</b>	74,517
- America	<b>86,133</b>	68,038
- Rest of the world	<b>12,969</b>	8,540
	<b>226,288</b>	176,483

Note: Revenue of Rs. 78,957 (March 31, 2021 - Rs.60,059) is derived from a single customer. This revenue is attributed to America Segment.

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>(b) Segment assets</b>		
<b>Trade receivables (excluding allowance for doubtful receivables)</b>		
- India	7,189	4,867
- Europe	14,303	14,187
- America	15,849	12,902
- Rest of the world	2,922	2,776
	<b>40,263</b>	<b>34,732</b>
<b>Unbilled revenue</b>		
- India	3,502	2,193
- Europe	3,441	229
- America	3,946	1,439
- Rest of the world	697	2
	<b>11,586</b>	<b>3,863</b>
The total of non-current assets (other than certain financial instruments, deferred tax assets and income tax assets) of Rs. 49,694 (31 March 2021: Rs. 48,580) are mainly located in the Group entity's country of domicile i.e., India.		
<b>(c) Segment liabilities</b>		
<b>Unearned revenue</b>		
- India	376	213
- Europe	279	159
- America	84	72
- Rest of the world	66	29
	<b>805</b>	<b>473</b>

## 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

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

Aiman Ezzat - Non Executive Director (w.e.f. 19 January 2021)

Antoine Imbert - Chief Operating Officer (till 31 December 2020)

Armin Billimoria - Company Secretary

Arul Kumaran Paramanandam - Chief Operating Officer

Aruna Jayanthi - Non-executive director (w.e.f. 26 May 2021)

Ashwin Yardi - Wholetime Director and Chief Executive Officer

Hubert Paul Henri Giraud - Non- executive director

Kalpana Rao - Independent director

Maria Pernas - Non-executive director (w.e.f. 23 August 2021)

Paul Hermelin - Non- executive director

Ramaswamy Rajaraman - Independent director

Shobha Meera - Non-executive director (w.e.f. 28 March 2022)

Srinivasa Rao Kandula - Wholetime director (till 10 January 2022)

Sujit Sircar - Chief Financial Officer

Thierry Delaporte - Non- executive director (till 5 May 2020)



## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

### 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 (India) Limited - Employees' Provident Fund  
Capgemini Business Services (India) Limited Employees' Group Gratuity Assurance Scheme  
Capgemini Business Services (India) Ltd. Employees' Superannuation Scheme  
Capgemini India Employees Gratuity Fund Trust  
Capgemini India Private Limited Employees' Benevolent Fund  
Capgemini India Private Limited Employees' Provident Fund  
TCube Employees Gratuity Trust  
Aricent Employees Provident Fund Trust  
Aricent Technologies Gratuity Trust  
Aricent Technologies Superannuation Trust  
The Liquidhub India Private Limited Employees' Gratuity Scheme  
Capgemini India Employees Gratuity Fund (formerly known as IGATE Global Solutions Limited Employees Gratuity Fund)

### Fellow subsidiaries

Altran Deutschland SAS & Co. Kg  
Altran Technologies India Pvt. Ltd.  
Altran Technologies S.A.S.  
Aricent Holdings Mauritius India Limited (liquidated w.e.f. 10 December 2020)  
Aricent Holdings Mauritius Limited  
Aricent Technologies Mauritius Ltd.  
Altran Technologies Australia Pvt Ltd (formerly known as Aricent Technologies Australia Pvt Ltd)  
Altran Technologies S.A.  
Altran ACT, France  
Altran UK  
Altran Sverige AB  
Lohika Systems Inc (merged with Capgemini America Inc with effect from 1 October 2021)  
Altran US Corp (merged with Capgemini America Inc with effect from 1 October 2021)  
Aricent US Inc. (merged with Capgemini America Inc with effect from 1 October 2021)  
Aricent Mauritius Engineering Services PCC  
Aricent N.A. Inc. (merged with Capgemini America Inc with effect from 1 October 2021)  
Altran Deutschland S.A.S & Co. KG  
Altran Technologies India Pvt. Ltd  
Aricent Technologies Malaysia SDN BHD  
frog Business Consultancy Limited  
frog Design BV  
frog Design Group Uk Ltd  
frog Design Srl  
frog Design, Inc. (merged with Capgemini America Inc with effect from 1 October 2021)  
Aricent Technologies UK Limited  
Altran Software US Inc. (merged with Capgemini America Inc with effect from 1 October 2021)  
Aricent Holdings Luxembourg S.a.r.l.  
frog Design Europe GmbH  
Aricent Belgium SPRL  
Aricent Japan Limited  
Altran Israel Ltd. (Formerly known as Aricent Israel Ltd.)  
Aricent Spain S.L.U., Spain  
Altran Italia S.p.A.  
Altran Netherlands  
Altran Canada Solutions (Corp) (merged with Capgemini America Inc with effect from 1 October 2021)  
Altran Connected Solutions  
Altran Engineering Solutions Inc  
Aricent Technologies (Cayman)  
Altran Solutions De Mexico ( merged with Capgemini Mexico S. de R.L. de C.V. with effect from 1 October 2021)  
Information Risk Management  
Altran Portugal S.A.  
Capgemini (China) Co. Ltd.  
Capgemini Asia Pacific Pte Ltd. - Taiwan Branch

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

Capgemini Australia (New Zealand Branch)  
Capgemini Australia PTY Limited  
Capgemini Belgium NV/S.A.  
Capgemini Brasil S.A. (formerly CPM Braxis S.A.)  
Capgemini Business Services (China) Limited  
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 Engineering Research and Development S.A.S. (formerly known as Capgemini DEMS France SAS)  
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 Ireland Limited  
Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited )  
Capgemini Italia SpA  
Capgemini Japan K.K.  
Capgemini Magyarország Kft.  
Capgemini Mexico S. de R.L de C.V.  
Capgemini Nederland B.V.  
Capgemini Norge A/S  
Capgemini Outsourcing Services GmbH  
Capgemini Philippines Corp.  
Capgemini Polska Sp. z o.o  
Capgemini Portugal, Serviços de Consultoria e Informatica, S.A.  
Capgemini Saudi Limited  
Capgemini Service S.A.S.  
Capgemini Services Malaysia Sdn Bhd  
Capgemini Service Romania s.r.l.  
Capgemini Singapore Pte. Ltd. - Abu Dhabi Branch  
Capgemini Singapore Pte. Ltd. - Dubai Branch  
Capgemini Singapore Pte. Ltd.  
Capgemini Solutions Canada Inc.  
Capgemini Suisse S.A.  
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 (till 1 September 2021)  
CHCS Services Inc. (till 1 September 2021)  
Inergi Inc.  
Inergi LP  
Interactive Thinking S.R.L. (merged with Capgemini Italia spA w.e.f. 31 December 2021)  
Itelios SAS (merged with Capgemini Technology Services S.A.S. w.e.f. 1 May 2021)  
New Horizons Systems Solutions Inc  
RADI Software Do Brasil Ltda.  
Sogeti Deutschland GmbH  
Sogeti Belgium S.A.

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

Sogeti Finland Oy (merged with Capgemini Finland OY w.e.f. 1 August 2020)  
 Sogeti Luxembourg S.A.  
 Sogeti Nederland B.V.  
 Sogeti Sverige AB  
 Sogeti UK Limited  
 TESSELLA (UK)  
 Matiq A/S  
 Capgemini Colombia SAS  
 Sogeti USA LLC  
 Altran Belgium  
 Altran Innovacion Espanola  
 Tessella (USA)  
 Altran Technology & Engineering Center  
 Altran Switzerland  
 Aricent Technologies Services Kft  
 Liquidhub Sp Z.O.O

### Related party transactions

	31 March 2022	31 March 2021
<b>a) Revenues from operations</b>		
Capgemini America, Inc.	79,376	60,059
Altran ACT	14,694	14,660
Capgemini UK Plc	20,397	14,378
Others	74,831	56,828
<b>b) Expense incurred by the Company on behalf of*</b>		
Capgemini Ireland Limited	-	78
Aricent US Inc.	-	20
Capgemini Australia Pty. Ltd.	-	1
Others	-	85
* it includes expense in the nature of sub-contracting expense, travelling and conveyance and others		
<b>c) Expenses cross charged*</b>		
Capgemini Service S.A.S.	3,510	2,495
Capgemini America Inc	430	901
Capgemini SE	2,142	1,459
Others	2,489	2,736
* it includes expense in the nature of software and hardware expense, training and recruitment, sub-contracting expenses, group management fees and other		
<b>d) Other income</b>		
Altran Technologies India Pvt. Ltd.	8	17
Aricent Holdings Luxembourg S.a.r.l.	-	12
Aricent Technologies Mauritius Ltd.	128	-
Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited )	10	10
Others	15	-

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>e) Profit on liquidation of subsidiary</b>		
Dalian Liquidhub Consulting Services Ltd Co. (liquidated w.e.f. 15 October 2020)	-	4
Annik UK Ltd (liquidated w.e.f. 18 September 2021)	5	-
<b>f) Interest on loan given</b>		
Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited )	-	10
Capgemini North America, Inc.	3	-
<b>g) Payments to employee benefit funds</b>		
Capgemini India Employees Gratuity Fund Trust	-	1,326
Capgemini Business Services (India) Limited Employees Group Gratuity Assurance Scheme	-	131
Capgemini India Private Limited Employees' Provident Fund	2,311	2,341
Capgemini Business Services (India) Limited - Employees' Provident Fund	187	211
Capgemini India Employees Gratuity Fund. (formerly IGATE Computer Systems Limited Employees' Gratuity Fund)	-	696
Aricent Technologies Gratuity Trust	250	100
Aricent Employees Provident Fund Trust	334	330
<b>h) Key management personnel compensation</b>		
Short-term employee benefits	132	155
Post-employment benefits	7	5
Employee share-based payment	196	172
Director sitting fees	2	1
<b>i) Repayment of loan</b>		
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		
<b>j) Purchase of investments</b>		
Aricent Holdings Mauritius Limited	-	35,183
Aricent Holdings Mauritius India Limited	-	7,835
Capgemini India Pvt. Ltd. Employees' Provident Fund	630	-
Capgemini Business Services (I) Ltd EPF Trust	32	-
<b>k) Loans given</b>		
Capgemini North America, Inc.	541	-

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>Balances outstanding</b>		
<b>a) Trade receivables</b>		
Capgemini America, Inc.	14,708	10,916
Altran ACT	1,672	4,845
Others	16,351	13,192
<b>b) Unbilled revenue</b>		
Capgemini America, Inc.	3,607	1,138
Capgemini UK PLC	771	-
Capgemini Ireland Limited	15	134
Others	3,383	108
<b>c) Unearned revenue</b>		
Capgemini Technology Services S.A.S.	25	38
Capgemini America, Inc.	53	26
Capgemini Service S.A.S.	-	22
Altran Software US	-	22
Altran Act	-	37
Capgemini UK PLC	153	-
Others	25	53
<b>d) Other non-current financial assets - loans</b>		
Capgemini North America, Inc.	766	225
<b>e) Other current assets</b>		
Capgemini Polska Sp Z.O.O	54	-
Capgemini Service S.A.S.	2	-
Capgemini India Employees Gratuity Fund Trust	-	6
Capgemini Business Services (India) Limited Employees Group Gratuity Assurance Scheme	2	2
<b>f) Other current assets - prepaid expenses</b>		
Capgemini Service S.A.S.	1,511	1,023
Others	26	22
<b>g) Trade and other payables</b>		
Capgemini Technology Services SAS	97	112
Capgemini Service S.A.S.	2,478	1,481
Capgemini America, Inc.	172	72
Others	541	1,431

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>h) Other financial liabilities</b>		
Capgemini IT Solutions India Pvt. Ltd. (formerly known as Raelle Cyber Solutions Private Limited)	2	2
<b>i) Non current provisions - other defined benefit obligation</b>		
Capgemini India Pvt. Ltd. Employees' Provident Fund	-	467
Capgemini Business Services (I) Ltd EPF Trust	-	24
<b>j) Current provisions - other defined benefit obligation</b>		
Capgemini India Pvt. Ltd. Employees' Provident Fund	-	796
Capgemini Business Services (I) Ltd EPF Trust	-	118
Aricent Employees Provident Fund Trust	-	149

The Group has the following related party transactions for the year ended 31 March 2022 and 31 March 2021

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 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Revenues from operations	79	78	79,376	60,059	1,09,843	85,788	-	-	-	-
Expense incurred by the Company on behalf of	-	-	-	4	-	180	-	-	-	-
Expenses cross charged	2,142	1,459	430	901	5,999	5,231	-	-	-	-
Other income	-	-	-	-	161	39	-	-	-	-
Profit on liquidation of subsidiary	-	-	-	-	5	4	-	-	-	-
Interest on loan given	3	-	-	-	-	10	-	-	-	-
Payments to employee benefit funds	-	-	-	-	-	-	-	-	3,082	5,135
Key managerial personnel compensation										
- Remuneration	-	-	-	-	-	-	139	160	-	-
- Employee share- based payment	-	-	-	-	-	-	196	172	-	-
- Director sitting fees	-	-	-	-	-	-	2	1	-	-
Repayment of loan	-	-	-	-	-	155	-	-	-	-
Purchase of investments	-	-	-	-	662	43,018	-	-	-	-
Loans given	541	-	-	-	-	-	-	-	-	-

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

The Group has the following related party balances for the year ended 31 March 2022 and 31 March 2021

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 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Trade receivables	13	13	14,708	10,916	18,010	18,024	-	-	-	-
Unbilled revenue	-	-	3,607	1,138	4,169	242	-	-	-	-
Unearned revenue	-	-	53	26	203	172	-	-	-	-
Other non current financials assets - loans	766	225	-	-	-	-	-	-	-	-
Other current assets	-	-	-	-	58	-	-	-	-	8
Other current assets - prepaid expenses	-	-	-	-	1,537	1,045	-	-	-	-
Trade and other payables	125	117	172	72	2,991	2,907	-	-	-	-
Other financial liabilities	-	-	-	-	2	2	-	-	-	-
Non current provisions - other defined benefit obligation	-	-	-	-	-	-	-	-	-	491
Current provisions - other defined benefit obligation	-	-	-	-	-	-	-	-	-	1,063

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)

There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

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

	31 March 2022	31 March 2021
(A) Profit attributable to equity shareholders	23,024	16,849
(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 earning per share of face value of Rs.10/- each	389.32	284.90
(A/C) Diluted earning per share of face value of Rs.10/- each	389.32	284.90

### 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 forming part of consolidated financial statements (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 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	6,939	6,939	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	1	1	-	-	-	-
Current investments	57,611	-	-	57,611	57,611	-	-	57,611
Non-current investments	-	-	668	668	-	-	-	-
Loans	-	-	766	766	-	-	-	-
Trade receivables	-	-	48,668	48,668	-	-	-	-
Other non-current financial assets	-	-	1,557	1,557	-	-	-	-
Other current financial assets	8	22	469	499	-	30	-	30
	<b>57,619</b>	<b>22</b>	<b>59,068</b>	<b>116,709</b>	<b>57,611</b>	<b>30</b>	<b>-</b>	<b>57,641</b>
<b>Financial liabilities</b>								
Trade and other payables	-	-	8,320	8,320	-	-	-	-
Lease liabilities - current and non-current	-	-	7,887	7,887	-	-	-	-
Other current financial liabilities	-	-	4,855	4,855	-	-	-	-
	<b>-</b>	<b>-</b>	<b>21,062</b>	<b>21,062</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The above disclosure excludes non-current investment in subsidiaries that are accounted at cost and hence not considered.

31 March 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
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	-	-	36,000	36,000	-	-	-	-
Other non-current financial assets	-	-	1,826	1,826	-	-	-	-
Other current financial assets	23	159	448	630	-	182	-	182
	<b>46,811</b>	<b>159</b>	<b>47,607</b>	<b>94,577</b>	<b>46,788</b>	<b>182</b>	<b>-</b>	<b>46,970</b>
<b>Financial liabilities</b>								
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	-	-	-	-
	<b>-</b>	<b>-</b>	<b>20,283</b>	<b>20,283</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Notes forming part of consolidated financial statements (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 2022 and 31 March 2021, 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.1,557 as at March 31, 2022 and is Rs. 1,826 as at March 31, 2021. The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate.

The fair value of Non-current investments is Rs. 662 as at 31 March 2022 and Rs. Nil as at 31 March 2021. The fair value was calculated based on quoted market price for some securities and valuation report obtained by the Company.

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.

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 forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

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 billed trade receivables of Rs. 40,263 and Rs. 34,732 as of 31 March 2022 and 31 March 2021 respectively, the Group has receivables which are past due and impaired as detailed below -

	31 March 2022	31 March 2021
Balance at the beginning of the year	644	730
Addition pursuant to merger	-	178
Impairment loss recognised	-	-
Impairment provision written back	(255)	(178)
Impairment provision utilised for write off	(70)	(86)
Balance at the end of the year	319	644

### 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 debt mutual funds, fixed maturity plan securities with banks and financial institutions with a high credit rating by domestic and international credit rating agencies. Counter parties to foreign currency forward contracts are generally multinational banks with appropriate market standing.

### 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.

31 March 2022	Contractual cash flows			
	Carrying amount	Within one year	One year but not more than five years	More than five years
Lease liabilities	7,887	2,540	6,225	773
Other non-current financial liabilities	-	-	-	-
Current financial liabilities	4,855	4,855	-	-
Trade and other payables	8,320	8,320	-	-

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	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	-	-

### 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

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

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 2022 and 31 March 2021 is as below:

### Unhedged foreign currency exposures as on 31 March 2022

Particulars	Cash and cash equivalents	Trade receivables*	Trade Payables	Other financial liabilities	Other financial assets
USD	692	1,196	696	117	-
EUR	88	259	2,638	16	21
SGD	-	-	74	-	-
JPY	-	29	6	-	-
GBP	-	-	56	-	-
CAD	-	-	1	-	-
AUD	-	7	1	-	-
CHF	-	-	-	-	-
SEK	-	-	-	-	-
CNY	-	-	1	-	-
AED	-	-	-	-	-
PLN	-	54	10	-	-
DKK	-	-	2	-	-
HKD	-	-	10	-	-
KRW	-	-	1	28	-
MYR	-	-	12	-	-
TWD	-	-	1	-	-
HUF	-	-	-	-	-
MXN	-	-	-	-	-
OMR	-	-	-	-	-

\*excludes allowance for doubtful receivables

### 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	2,113	1,888	600	284	310
EUR	88	361	1,967	210	27
SGD	-	6	42	-	-
JPY	-	15	18	-	-
GBP	-	57	94	-	-
CAD	-	54	15	3	-
AUD	-	1	15	-	-
CHF	-	-	-	-	-
SEK	-	3	4	-	-
CNY	-	-	1	-	-
AED	-	-	-	-	-
PLN	-	-	2	-	-
DKK	-	-	2	-	-
HKD	-	-	16	-	-
KRW	-	-	2	26	-
OMR	-	192	1	-	-

\*excludes allowance for doubtful receivables

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

As at 31 March 2022 and 31 March 2021 every 1% increase / decrease in exchange rates of the respective foreign currencies compared to functional currency of the Company would result in (decrease) / increase in profit of the Company by approximately (Rs. 6) and Rs. 20 respectively.

### Currency risk

The Group is exposed to currency risk on account of its receivables and payables in foreign currencies. The functional currency of the Group is Indian Rupee. The Group uses forward exchange contracts to hedge its currency risk, with a maturity period of generally less than one year. The Group does not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of 31 March 2022 and 31 March 2021:

Category	31 March 2022		31 March 2021	
	In million	In Rs. million	In million	In Rs. million
<b>Forward contracts</b>				
Hedges of recognized assets and liabilities				
USD/INR	30	2,335	86	6,301
EUR/INR	-	-	3	224
Hedges of highly probable forecasted transactions				
USD/INR	34	2,583	133	9,903
EUR/INR	-	-	4	387
		<b>4,918</b>		<b>16,815</b>

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 2022	31 March 2021
Forward contracts in USD		
Not later than one month	610	6,922
One to 6 months	3,149	7,010
6-12 months	1,159	2,272
	<b>4,918</b>	<b>16,204</b>
Forward contracts in EUR		
Not later than one month	-	274
One to 6 months	-	269
6-12 months	-	68
	<b>-</b>	<b>611</b>
	<b>4,918</b>	<b>16,815</b>

The following table provides the reconciliation of cash flow hedge reserve for the year ended 31 March 2022 and 31 March 2021:

	31 March 2022	31 March 2021
Balance at the beginning of the year	102	(127)
Reserves pursuant to business combinations (refer note 38 (b))	-	(216)
(Loss) / Gain recognised in other comprehensive income during the year	(7)	322
Amount reclassified to Consolidated Statement of Profit and Loss during the year	(129)	364
Tax impact on above	49	(241)
Balance at the end of the year	<b>15</b>	<b>102</b>

### 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.

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

	31 March 2022	31 March 2021
<b>44 Contingent liabilities and commitments</b>		
<b>A) Commitments</b>		
(i) Estimated value of contracts on capital account remaining to be executed [net of advances Rs. 277 (31 March 2021 Rs. 490)]	<b>2,027</b>	1,336
(ii) Commitments given on leases consist primarily of the common area maintenance charges of the Group's non-cancellable leases		
Not later than one year	<b>386</b>	448
Later than one year but not later than five years	<b>904</b>	1,148
Later than five years	<b>226</b>	276
	<b>1,516</b>	1,872

## B) Contingent liabilities

- (i) Claims not acknowledged as debt
- |  |            |     |
|--|------------|-----|
| Income tax matters [gross of INR Nil (31 March 2021: INR 82 million) paid under protest] | -          | 15  |
| Sales tax matters [gross of INR Nil (31 March 2021: INR 7 million) paid under protest]   | -          | 7   |
| Other matters  | <b>614</b> | 643 |
- (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 filed 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.

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

- (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.

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 Capgemini Group entities operating outside India, the Company has filed APA 1 - (Covered period – FY 2010-11 to FY 2014-15), APA 2 - (Covered period – FY 2016-17 to FY 2020-21) and APA 3 (Covered period - FY 2021-22 to FY 2025-26). 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, 2 and 3)), 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 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.

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

### 46 Non-controlling interests (NCI)

The table below gives summarised financial information of ATHL that has non-controlling interests

	31 March 2022	31 March 2021
<b>Summarised Balance sheet</b>		
Current assets	22,776	20,595
Current liabilities	4,485	4,980
<b>Net current assets</b>	<b>18,291</b>	<b>15,615</b>
Non-current assets	13,640	14,389
Non-current liabilities	3,244	3,905
<b>Net non-current assets</b>	<b>10,396</b>	<b>10,484</b>
<b>Net assets</b>	<b>28,687</b>	<b>26,099</b>
Less Deemed contribution to parent	33	33
	<b>28,654</b>	<b>26,066</b>
<b>Accumulated NCI</b>	<b>501</b>	<b>456</b>
<b>Summarised statement of profit and loss</b>		
Revenue	26,785	25,466
Profit for the year	2,625	1,960
Other comprehensive income	(73)	605
<b>Total comprehensive income</b>	<b>2,552</b>	<b>2,565</b>
<b>Profit allocated to NCI</b>	<b>45</b>	<b>45</b>
<b>Summarised cash flows</b>		
Cash flows from operating activities	5,143	9,559
Cash flows from investing activities	(2,824)	(9,412)
Cash flows from financing activities	(850)	(1,052)
Net increase/ (decrease) in cash and cash equivalents	<b>1,469</b>	<b>(905)</b>

## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

### 47 Employee stock compensation plans

- (i) 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 year ended 31 March 2020, the Group had recognised share based payment cost using liability method. However, from the previous 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 share-based payment reserve of Rs.3,487 as on 31 March 2022 (31 March 2021 :Rs.2,669).

Particulars	31 March 2022				
	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Grant date	05-Oct-17	03-Oct-18	02-Oct-19	07-Oct-20	06-Oct-21
Performance assessment dates	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	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	106,700	154,185	182,400	204,160	-
Total numbers of options granted during the year	-	-	-	-	292,490
Options exercised	91,010	-	-	-	-
Options forfeited or cancelled during the year	15,690	5,430	8,450	8,390	11,360
Total number of options outstanding at closing date	-	148,755	173,950	195,770	281,130
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)	79.90	98.72	92.71	92.57	112.77
<i>Main market conditions at grant date :</i>					
Volatility	25.65%	23.29%	23.14%	29.61%	30.97%
Risk free interest rate	-0.17% - 0.90%	-0.109% - 0.2429%	-0.478% - 0.458%	-0.499% - 0.4615%	-0.4246% - 0.2605%
Expected dividend rate	1.60%	1.60%	1.60%	1.60%	1.60%
Charge for the year	16	328	260	322	413
Share based payment reserve	-	1,072	708	501	413



## Notes forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

Particulars	31 March 2021				
	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Grant date	26-Jul-16	05-Oct-17	03-Oct-18	02-Oct-19	07-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 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
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
<i>Main market conditions at grant date :</i>					
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 forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

- (ii) 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, 17 December 2020 and 16 December 2021 the ultimate parent company issued shares for 2017, 2018, 2019, 2020 and 2021 employee ownership plan respectively. The charge for the year for these plans are as below:

Particulars	ESOP 2017		ESOP 2018	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
No. of shares	31,417	31,417	36,567	36,567
Charge for the year	4	6	7	10
Share based payment reserve	25	21	26	19

Particulars	ESOP 2019		ESOP 2020		ESOP 2021	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
No. of shares	39,681	39,681	51,137	51,137	40,005	-
Charge for the year	7	9	13	3	4	-
Share based payment reserve	18	11	16	3	4	-

The Group has used fair value method for accounting of the above employee share-based payment.

## 48 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.
<b>Parent</b>	108.7%	161,433	87.7%	20,227	97.1%	(1,492)	87.0%	18,735
<b>Indian subsidiaries</b>								
Aricent Technologies (Holdings) Limited	19.3%	28,687	11.4%	2,625	4.7%	(73)	11.9%	2,552
<b>Foreign subsidiaries</b>								
Annik Inc.	0.6%	917	0.9%	206	-2.0%	31	1.1%	237
Annik UK LTD*	0.0%	-	0.0%	(2)	0.0%	-	0.0%	(2)
Liquidhub PTE. LTD.	0.0%	25	0.1%	14	0.0%	-	0.1%	14
Adjustment arising out of consolidation	-28.6%	(42,546)	0.0%	-	0.2%	(3)	0.0%	(3)
<b>TOTAL</b>	<b>100.0%</b>	<b>148,516</b>	<b>100.0%</b>	<b>23,070</b>	<b>100.0%</b>	<b>(1,537)</b>	<b>100.0%</b>	<b>21,533</b>

\* During the year, the Group liquidated its investment in Annik UK Ltd w.e.f. 18 September 2021

## 49 Merger schemes pending with National Company Law Tribunal, Mumbai (NCLT)

The Company has filed an application with the NCLT on 31 January 2022 to merge Aricent Technologies (Holdings) Limited 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 10 January 2022. The appointed date for the merger is 1 October 2021. The matter is pending before the NCLT and approval is still awaited.

## 50 Transfer pricing

The group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the group is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year. The group is required to update and put in place the information a month prior to the due date of filing its income tax return. 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 forming part of consolidated financial statements (Contd.)

(Currency : INR in million)

### 51 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

For and on behalf of the Board of Directors of

**Capgemini Technology Services India Limited**

CIN-U85110PN1993PLC145950

**Jeetendra Mirchandani**

*Partner*

Membership No: 048125

**Ashwin Yardi**

*Wholetime Director & Chief Executive Officer*

DIN: 07799277

Place: Mumbai

**Kalpana Rao**

*Independent Director*

DIN: 07093566

Place: Bengaluru

**Armin Billimoria**

*Company Secretary*

FCS - 8637

Place : Mumbai

Date : 02 August 2022

**Sujit Sircar**

*Chief Financial Officer*

Place : Bengaluru

Place : Pune

Date : 02 August 2022

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

## **Capgemini Technology Services India Limited**

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