Capgemini

Annual Report

2017-18

Capgemini Technology Services India Limited

(Formerly known as IGATE Global Solutions Limited)

Board Of Directors

MR. SRINIVASA RAO KANDULA
Managing Director

MR. ASHWIN ASHOK YARDI
Executive Director

MS.KARINE MARCHAT
Executive Director

MS.ARUNA JAYANTHI
Executive Director

MR.RITESH TALAPATRA
Executive Director

MR.PAUL HERMELIN
Non-Executive Director

MR.HUBERT GIRAUD
Non-Executive Director

MR. THIERRY DELAPORTE
Non-Executive Director

MR.R RAMASWAMY
Non-Executive Director and Independent Director

MS.KALPANA RAO
Non-Executive Director and Independent Director

MR. SUJIT SIRCAR
Chief Financial Officer

MS.ARMIN BILLIMORIA
Company Secretary

Board Committees

Audit Committee
R Ramaswamy : Chairperson
Kalpana Rao
Srinivasa Rao Kandula

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

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

Corporate Social Responsibility Committee
Kalpana Rao : Chairperson
R Ramaswamy
Srinivasa Rao Kandula
Ashwin Ashok Yardi
Aruna Jayanthi
Karine Marchat

Registered Office Address
No. 14, Rajiv Gandhi Infotech Park,
Hinjawadi Phase-III, MIDC-SEZ,
Village Man, Taluka Mulshi,
Pune - 411057.

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

Registrar & Share Transfer Agent
Karvy Computershare Private Limited
Karvy Selenium Tower B,
Plot No.31-32, Gachibowli, Financial District,
Nanakramguda,
Hyderabad – 500 032

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NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of Capgemini Technology Services India Limited **("Company")** will be held at 10:00 a.m.on Wednesday, 26 September 2018 at Plot No. 14, Rajiv Gandhi Infotech Park, Hinjawadi, Phase III, MIDC-SEZ, Village Man, Taluka Mulshi, Pune – 411 057, Maharashtra, India to transact the following business:

ORDINARY BUSINESS:

1. A. To consider and adopt: the Audited Standalone Financial Statement of the Company for the Financial Year ended 31 March 2018, together with the Reports of the Board of Directors and the Auditors thereon; and

   B. the Audited Consolidated Financial Statement of the Company for the Financial Year ended 31 March 2018 together with the Report of the Auditors therein.

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

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

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

5. To appoint a Director in place of Ms. Karine Marchat (DIN: 07901978) 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.

6. To appoint a Director in place of Mr. Ritesh Talapatra (DIN: 07849732) 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 Mr. Hubert Giraud (DIN: 00817709) who retires as per article 14 (8) (a) of the Articles of Association of the Company at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

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

   SPECIAL BUSINESS:

9. To appoint Mr. Thierry Delaporte (DIN: 08107242) as a Director of the Company and to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to Sections 152, 161 of the Act, and the rules made thereunder and other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force), and the Articles of Association of the Company, Mr. Thierry Delaporte (DIN: 08107242), 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 intention to propose Mr. Thierry Delaporte as a candidate for the office of the Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation.

   RESOLVED FURTHER THAT any Director of the Company or Ms. Armin Billimoria, 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."

10. To approve change of address at which books of accounts is to be maintained and to consider and if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:

    "RESOLVED THAT pursuant to provisions of Section 88, 94, 120, 128(1) and other applicable provisions, if any, of the Companies Act, 2013, the Registers of Members, Index of Members, Books of Accounts, relevant Registers, Financial Statements, copies of all Annual Returns together with copies of Certificates and documents required to be annexed thereto be kept at Plot no. IT3, IT4 Airoli Knowledge Park, TTC Industrial Area, MIDC, Airoli, Navi Mumbai - 400708 instead of being kept and maintained at the Registered Office of the Company.

    RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and is hereby authorized to file necessary forms with the Ministry of Corporate Affairs and do all acts, deeds and things as may be necessary to give effect to the aforesaid resolution."

By Order of the Board of Directors

For Capgemini Technology Services India Limited

(*Formerly known as IGATE Global Solutions Limited*)

Date: 25 July 2018
Place: Mumbai

Armin Billimoria
Company Secretary
FCS: 8637

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

Notes:

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

2) A member entitled to attend and vote at the Annual General Meeting 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. The instrument appointing the proxy duly completed, stamped, and signed should be deposited at the registered office of the Company not less than 24 hours before the commencement of the meeting. The proxy form for the Annual General Meeting is enclosed herewith.

   Pursuant to Section 105 of the Act, a person can act as a proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

3) 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. 14. 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.

4) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified true copy of the Board resolution authorizing their representative(s) to attend and vote on their behalf at the Annual General Meeting.

5) In terms of Section 152 of the Act, Mr. Srinivasa Rao Kandula (DIN: 07412426), Mr. Ashwin Ashok Yardi (DIN: 07799277), Ms. Aruna Jayanthi (DIN: 00817860), Ms. Karine Marchat (DIN: 07901978), Mr. Ritesh Talapatra (DIN: 07849732), Mr. Hubert Giraud (DIN: 00817709) and Mr. Paul Hermelin (DIN: 07887276) liable to retire at the ensuing Annual General Meeting 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.

6) Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their Folio No along with the copy of the Annual Report to the meeting.

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

8) Relevant documents referred to in the accompanying Notice and the Statements are open for inspection by the Members at the Registered Office of the Company on all working days except Saturday and Sunday during business hours up to the date of the meeting.

9) Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 20 September 2018 to Wednesday, 26 September 2018 (both days inclusive).

10) 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 or its Registrars and Transfer Agents, Karvy Computershare Private Limited (Karvy).

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 by the Members at the Annual General Meeting.

12) Members of the Company had approved the appointment of M/S B S R & Co. LLP, Statutory Auditors in their meeting held on 28 December 2015 for 5 years from the conclusion of the 22nd Annual General Meeting (held in 2015) until the conclusion of the 27th Annual General Meeting (to be held in the year 2020). In accordance with the Companies Amendment Act, 2017, enforced on 07 May 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

13) The notice of the General Meeting is also hosted on the website of the Company www.in.capgemini.com and will remain on the website till the date of the Annual General Meeting.

14) Information and other instructions relating to e-voting are as under:

    (i) E-voting

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

    The Company has appointed Mr. Shailesh Indapurkar, as scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The E-voting rights of the shareholders/ beneficiary owners shall be reckoned on the equity shares held by them as on Thursday, 20 September 2018 being the cut-off date for the purpose. Shareholders of the Company holding shares either in physical or in dematerialized form as on the cut-off date may cast their votes electronically.

    INSTRUCTIONS FOR E-VOTING

    a) To use the following URL for e-voting: i) From Karvy Computershare Private Limited - website: http://evoting.karvy. com

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

    c) Enter the login credentials i.e., user id and password mentioned on the enclosed form/email. Your Folio No / DP ID / Client ID will be your user ID.

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

    e) You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

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

h) On the voting page, enter the number of shares as on the cut-off date, Thursday, 20 September 2018 under FOR / AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR / AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.

i) Shareholders holding multiple folios / Demat accounts shall choose the voting process separately for each folio / Demat account.

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

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

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

m) The Portal will be open for voting from Sunday, 23 September 2018 at 9.00 a.m. and ends on Tuesday, 25 September, 2018 at 5.00 p.m. (both days inclusive).

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

EXPLANATORY STATEMENT

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

The following explanatory statement sets out the material facts relating to the Special Business mentioned in the accompanying Notice of the Annual General Meeting (**AGM**) to be held on 26 September 2018.

ITEM NO. 09

The Board of Directors (based on the recommendation of the Nomination and Remuneration Committee) had appointed Mr. Thierry Delaporte (DIN: 08107242) as an Additional Director on the Board of the Company with effect from 03 May 2018 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 Rs.1,00,000/- proposing the candidature of Mr. Thierry Delaporte for the office as a Director of the Company.

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

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

Name	Mr. Thierry Delaporte
Age	51 years
Qualifications	Masters in Law from the Paris La Sorbonne University and Masters in Political Sciences from SciencesPo Paris
Experience	26 years
Terms & Conditions of appointment / reappointment	As mutually agreed between the Company and Mr. Thierry Delaporte
Details of remuneration sought to be paid	Nil
Remuneration, if any, last drawn	Nil
Date of first appointment on the Board	03 May 2018
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	01
Directorship in other companies	None
Membership / Chairmanship of committees of other Boards	None

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

The Board recommends the resolution set forth in Item No. 09 for approval of the Members.

ITEM NO. 10

Pursuant to provisions of Section 88, 94, 120, 128(1) and other applicable provisions, if any, of the Companies Act, 2013, the Registers of Members, Index of Members, Books of Accounts, relevant Registers, Financial Statements, copies of all Annual Returns together with copies of Certificates and documents required to be annexed thereto be kept at Plot no. IT3, IT4 Airoli Knowledge Park, TTC Industrial Area, MIDC, Airoli, Navi Mumbai - 400708 instead of being kept and maintained at the Registered Office of the Company.

By Order of the Board of Directors

For Capgemini Technology Services India Limited
(*Formerly known as IGATE Global Solutions Limited***)**

Date: 25 July 2018
Place:Mumbai

Armin Billimoria
Company Secretary
FCS: 8637

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

BOARD'S REPORT

Dear Members,

The Directors are pleased to present the Twenty Fifth Board's Report and the Audited Financial Statements for the year ended 31 March 2018.

FINANCIAL PERFORMANCE (Figures INR in million)

	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Income				
Income from operations	128,259	119,359	128,547	119,704
Other Income	3,896	6,062	3,856	5,933
Total Income (I)	132,155	125,421	132,403	125,637
Expenses				
Employee benefit expenses	83,403	77,293	83,587	77,595
Other expenses	24,677	23,232	24,737	23,261
Depreciation and amortization expense	4,381	4,176	4,383	4,177
Finance costs	102	281	102	281
Total (II)	112,563	104,982	112,809	105,314
Profit before tax (I) –(II)	19,592	20,439	19,594	20,323
Tax expenses				
-Current tax	4,920	5,676	4,926	5,681
-Deferred tax	418	(1,151)	416	(1,150)
Total tax expenses	5,338	4,525	5,342	4,531
Profit after taxes	14,254	15,914	14,252	15,792
Total Comprehensive Income, Net of Tax	535	109	453	39
Total Comprehensive Income for the period	14,789	16,023	14,705	15,831

Financial statement have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, (Act) and other relevant provisions of the Act. The financial statements of the Company for all periods up to and including the year ended 31 March 2016, are prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Act and other relevant provisions of the Act. As these are the first financial statements prepared in accordance with Indian Accounting Standards (Ind As), Ind AS 101, First time adoption of Indian Accounting Standards has been applied.

Operational Review:

During the Financial year 2017-18, the Sales and other Income of your Company was Rs. 132,155 million as against Rs.125,421 millions in the previous year, showing a growth of 5.4% over the previous year. The Company earned Profit after tax (PAT) of Rs. 14,254 million as against Rs. 15,914 million in the previous year.

Share Capital:

The Authorized Capital of the Company as on 31 March 2018 was Rs. 2,748 million divided into 249,950,000 (Twenty Four Cores Ninety Nine Lakhs Fifty Thousand)Equity Shares of Rs. 10 (Rupees ten only) each, 10,800,000 (One Crore Eight Lakhs) Compulsorily Convertible Preference Shares of Rs. 10 (Rupees Ten only) each and 14,000,000 (One Crore Forty Lakhs) 5% 10 years Redeemable Non-Cumulative Preference Shares of Rs. 10 (Rupees Ten only) each.

The Issued and Paid-up Capital of the Company as on 31 March 2018 stood at Rs. 591million divided into 59,139,500 (Five Crores Ninety-one Lakhs Thirty-nine Thousand Five hundred) equity shares of Rs. 10 (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:

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

Dividend:

Keeping in view the future strategic initiatives of the Company, your Directors do not recommend any dividend for the year ended 31 March 2018.

Particulars of loans, guarantees and investments:

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

Deposits:

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

Subsidiaries:

As on 31 March 2018, your Company has subsidiaries in India. In line with the Group's overall business strategy:

- o The Company disinvested the shares held in IGATE Singapore Pte. Ltd. and its stepdown subsidiary in China a wholly owned subsidiary of the Company by sale of shares to Capgemini Singapore Pte. Ltd. on12 March 2018.
- o Two schemes of Amalgamation have been filed with National Company Law Tribunal to amalgamate the wholly owned subsidiaries, IGATE Infrastructure Management Services Limited and TCube Software Solutions Private Limited with the Company. Appropriate filings have been undertaken.As per Section 129 (3) of the Act, the Consolidated Financial Statements of the Company and its Subsidiaries, Joint Ventures and Associates, prepared in accordance with the relevant Accounting Standard specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, forms part of this Annual Report. Pursuant to the provisions of the said Section, a statement containing the salient features of the financial statements of the Company's Subsidiaries, Associates and Joint Ventures in Form AOC-1 is being annexed as Annexure Iin this Annual Report.
- o Scheme of Amalgamation filed with National Company Law Tribunal to amalgamate wholly owned subsidiary, Capgemini Solutions Private Limited (formerly known as AXA Technologies Shared Services Private Limited) with the Company is approved as of 27 February 2018.

There have been no material changes in the nature of the business of the Subsidiaries during the financial year 2017-18. Acquisitions/ divestments, as applicable have been adequately disclosed in the Financial Statements.

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

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

In accordance with Section 136 of the Act, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on our website, https://www.in.capgemini.com/about/group/capgemini-technology-services-India-limited. These documents will also be available for inspection till the date of the Annual General Meeting during business hours at our registered office in Pune, India.

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.

Acquisitions are key enabler for driving your Company's capability to build industry domain, strengthen its presence in emerging technology areas including Digital and Cloud. Your Company also uses its acquisition program to increase footprint in select business opportunities. During the year ended 31 March 2018, your Company has acquired TCube Software Solutions Private Limited.

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.

Directors and Key Managerial Personnel:

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

Appointments:

The following appointments were made during the year till the date of the report:

- Mr. Thierry Delaporte was appointed as Additional Director of the Company, on 03 May 2018.

Resignations:

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

- Mr. Salil Parekh, Director resigned on 06 December 2017.
- Mr. Sujit Sircar, Director resigned on 24 October 2017.
- Mr. Patrick Nicolet, Director resigned on 13 December 2017.

The Board places on record the valuable contributions made by Mr. Salil Parekh, Mr. Patrick Nicolet and Mr. Sujit Sircar during their tenure.

Appointments and reappointment of Directors:

The Company has received separate notices under Section 160 of the Act from a Member, along with the requisite deposit, signifying intention to propose appointment of Mr. Thierry Delaporte as Director of the Company. Accordingly, necessary resolutions are being placed for approval of the Members at the 25thAnnual General Meeting.

In accordance with the provisions of the Act and in terms of the Memorandum and Articles of Association of the Company,Mr. Srinivasa Rao Kandula (DIN: 07412426), Mr. Ashwin Yardi (DIN: 07799277), Ms. Aruna Jayanthi (DIN: 00817860), Mr. Ritesh Talapatra (DIN: 07849732), Ms. Karine Marchat (DIN: 07901978), Mr. Hubert Giraud (DIN: 00817709) and Mr. Paul Hermelin (DIN: 07887276) retire and are eligible for re-appointment.

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

Board meetings:

The Board met six (6) times during the financial year. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

Annual evaluation of the performance of the Board, its Committees and of individual directors:

The Board of Directors had carried out an annual evaluation of its own performance; the Directors individually as well as the evaluation of the working of the Board Committees viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee as required under sub – section 3 of Section 134 of the Companies Act, 2013.

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

The Board and the Nomination and Remuneration Committee (NRC) reviewed the performance of the individual Directors on the basis of criteria such as contribution at Board/Committee Meetings, their preparedness on the issues to be discussed, guidance to the Management.

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

Committees of the Board:

As on 31 March 2018, the Board had four committees, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee.

Directors' appointment and Remuneration Policy:

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

Risk Management Policy:

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

Vigil Mechanism:

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

Secretarial Standards:

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to "meeting of the Board of Directors" and "General Meetings", respectively, have been duly followed by the Company.

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 2018 was100,491.

Particulars of Employees:

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

Audit Report

Auditors:

Messrs. B S R & Co LLP (ICAI Firm Registration Number 101248W/100022) were appointed as the Statutory Auditors of the Company in the Annual

General Meeting held on 28 December 2015 for a term of five years until the conclusion of the 27th Annual General Meeting of the Company to be held in the year 2020.

The 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 Mr. Dilip Bharadiya, Practising Company Secretary (CP: 6740), to undertake Secretarial Audit of the Company for the year ended 31 March 2018.The Secretarial Auditors' Report is enclosed as Annexure V to the Board's report in this Annual Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Internal Financial Controls:

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

Corporate Social Responsibility:

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

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

The CSR Policy is available on the website of the Company.

Conservation of energy, technology absorption, foreign exchange earnings and outgo:

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

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

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

Foreign Exchange Earnings and outgo: The Company earned Rs. 115,873 million in foreign exchange as against Rs. 108,266 million in the previous year. Exchange outgo, including capital goods was Rs. 4,884 million as against Rs. 6,128 million in the previous year.

Other Disclosures:

Extract of Annual Return: Pursuant to section 92(3) and section 134(3)(a), extract of Annual Return as on 31 March 2018 in MGT-9 is enclosed as Annexure VII.

Material changes and commitments affecting financial position between end of the financial year and date of report: There have been no material changes and commitments affecting financial position between end of the financial year and the date of the report.

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

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

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

During the financial year 2017-18, the Company had received 56 complaints on sexual harassment all were investigated and disposed of with appropriate action taken and no complaint remained pending as on 31 March 2018.

Acknowledgements and Appreciation:

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

For and on behalf of Board of Directors
Capgemini Technology Services India Limited
(formerly known as IGATE Global Solutions Limited)

Srinivasa Rao Kandula	**Kalpana Rao**
Managing Director	*Director*
DIN - 07412426	DIN - 07093566

Place : Mumbai
Date : 25 July 2018

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)

Name of Subsidairy	IGATE Singapore Pte Ltd*	IGATE Computer Systems (Suzhou) Co Ltd**	IGATE Infrastructure Management Services Limited	TCUBE Software Solutions Pvt. Ltd.***
Country	Singapore	China	India	India
Reporting Currency	SGD	CNY	INR	INR
Exchange Rate	49.67	10.36	1.00	1.00
Share capital	-	-	28.58	0.25
Reserves	-	-	(44.61)	65.64
Total Assets	-	-	88.81	117.37
Total Liabilities	-	-	104.84	51.48
Investments	-	-	-	-
Turnover	208.50	12.25	-	98.40
Profit/(Loss) before Taxation	62.45	7.93	(5.56)	12.03
Provision for Taxation	0.89	-	-	2.73
Profit/(Loss) After Taxation	61.56	7.93	(5.56)	9.31
Proposed Dividend	-	-	-	-
% of Shareholding	100%	100%	100%	100%

* The Company is disinvested on 12 March 2018

** The Company is disinvested on 12 March 2018

*** The Company is acquired on 25 October 2017

For and on behalf of Board of Directors

Capgemini Technology Services India Limited

(formerly known as IGATE Global Solutions Limited)

Srinivasa Rao Kandula
Managing Director
DIN - 07412426

Kalpana Rao
Director
DIN - 07093566

Armin Billimoria
Company Secretary
FCS : 8637

Sujit Sircar
Chief Financial Officer

Place : Mumbai
Date : 25 July 2018

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 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini America Inc	Holding Company	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
PAN-Asia Solutions, Mauritius	Holding Company	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini North America Inc	Holding Company	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
IGATE Computer Systems (Suzhou) Co. Ltd	Subsidiary Company	01 April 2017 to 12 March 2018	Based on transfer pricing guidelines
IGATE Infrastructure Management Services Limited.	Subsidiary Company	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
IGATE Singapore Pte Ltd	Subsidiary Company	01 April 2017 to 12 March 2018	Based on transfer pricing guidelines
TCUBE Software Solutions Pvt.Ltd	Subsidiary Company	25 October 2017 to 31 March 2018	Based on transfer pricing guidelines
Backelite SAS	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini (China) Co. Ltd.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini (Hangzhou) Co Ltd	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Argentina, S.A.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Australia Pty. Ltd.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Belgium NV/S.A.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini BST S.P.A.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Business Services (China) Limited	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Business Services Brasil – Assessoria Empresarial Ltda	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Business Services Chile Ltda	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Business Services Guatemala SA	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Business Services USA LLC	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Brasil S.A.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Canada Inc.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Colombia SAS	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Consulting Österreich AG	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Consulting S.A.S.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Czech Republic s.r.o	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Deutschland GmbH	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Deutschland Holding GmbH	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Educational Services B.V.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini España S.L.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Financial Services International Inc.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Financial Services UK Ltd - South Africa branch	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Finland Oy	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini France S.A.S.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Gouvieux S.A.S	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Government Solutions LLC	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Hong Kong Ltd.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Italy SPA	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Ireland Ltd	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Japan KK	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Kunshan Co. Ltd	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Magyarorszag Kft.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Mexico S. de R.L	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Middle East FZ-LLC	Fellow subsidiary	01 April 2017 to 05 December 2017	Based on transfer pricing guidelines
Capgemini Nederland BV	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Norge A/S	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Outsourcing Services GmbH	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Outsourcing Services S.A.S.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Philippines SBOS	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines

Name of related party	Nature of relationship	Duration of contract	Salient terms
Capgemini Polska Sp. z.o.o	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Portugal, Serviços de Consultoria e Informatica, S.A.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Saudi Limited	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Schweiz AG, Outsourcing services	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Service Romania s.r.l.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Service S.A.S.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Services Malaysia Sdn Bhd	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Singapore Pte. Ltd.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Singapore Pte. Ltd. - Abu Dabhi Branch	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Singapore Pte. Ltd. - Dubai Branch	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Slovensko s.r.o.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Sogeti Danmark A/S	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Solutions Canada Inc	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Suisse S.A.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Sverige AB	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Technologies LLC	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Technology Services	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini UK Plc	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Capgemini Vietnam Co. Ltd	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
CHCS Services Inc	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
IGATE Global Solutions USA	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
IGATE Technologies Canada Inc.,	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Inergi LP	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Itelios SAS	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
New Horizon System Solutions LP	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Prosodie SA	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Societe en Commandite Capgemini Quebec Limited Partnership	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Sogeti Belgium S.A.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Sogeti Corporate Services S.A.S	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Sogeti Deutschland Gmbh	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Sogeti Finland Oy	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Sogeti France S.A.S.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Sogeti High Tech S.A.S.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Sogeti Luxembourg S.A.	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Sogeti Nederland BV	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Sogeti Norge AS	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Sogeti Suisse SA	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Sogeti Sverige AB	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Sogeti UK Ltd	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines
Sogeti USA LLC	Fellow subsidiary	01 April 2017 to 31 March 2018	Based on transfer pricing guidelines

b) Aggregate value of the above contracts or arrangements or transactions is Rs. 106,650 Million during the year.

For and on behalf of Board of Directors
Capgemini Technology Services India Limited
(formerly known as IGATE Global Solutions Limited)

Srinivasa Rao Kandula	**Kalpana Rao**
Managing Director	*Director*
DIN - 07412426	DIN - 07093566

Place : Mumbai
Date : 25 July 2018

ANNEXURE III

REMUNERATION POLICY

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

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

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

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

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

Key principles governing this remuneration policy are as follows:

- **Remuneration for Independent Directors and Non-Independent Non-Executive Directors**

  - Independent Directors ("ID") may be paid sitting fees (for attending the Meetings of the Board and of committees of which they may be members)

  - Quantum of sitting fees may be subject to review on a periodic basis, as required.

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

- **Remuneration for Whole – Time Director ("WTD")/ Executive Directors ("ED")/ KMP/ rest of the employees**

  - The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be

  ◊ Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent)

  ◊ Driven by the role played by the individual

  ◊ Reflective of size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay

  ◊ Consistent with recognized best practices and

  ◊ Aligned to any regulatory requirements.

- In terms of remuneration mix or composition,

  ◊ The remuneration mix for the WTD/EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.

  ◊ Basic/fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.

  ◊ In addition to the basic/fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also offers social security coverage as applicable. Other benefits offered are Medical Insurance coverage, life, accidental and disability coverage. We also run Wellness Program for our employees under which doctors come and talk to them on topics such as lifestyle and health related issues, well-being etc.

  ◊ The Company provides retirement benefits as applicable.

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

- **Policy implementation**

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

ANNEXURE IV

[Particulars of Employees as required under Rule 5(2) of Chapter XIII the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,forming part of the Board's Report for the year ended 31 March 2018]

Top 10 Employees in terms of Remuneration drawn

(Amount in INR)

S. No.	Name	Designation of the Employee	Remuneration Received	Qualification	Experience	Date of Commencement of Employment	Age	Last Employment Held
1	Sujit Sircar	Corporate Vice President	127,152,975	B.Com., CA	28	15 April 1998	50	Wipro Ltd.
2	Srinivasa Rao Kandula	Corporate Vice President	123,147,169	M.A., MBA, Ph.D	29	08 January 2007	55	Sasken Technologies Ltd.
3	Karine Marchat	Corporate Vice President	32,942,975	Masters in Finance	28	22 February 2017	49	KPMG
4	Aruna Jayanthi	Corporate Vice President	27,639,543	B.Sc., MBA	33	15 February 2000	55	Aptech Ltd.
5	Chellanamasivayam M M	Senior Vice President	22,749,001	B.E.	28	15 July 1997	50	Arthur Andersen India Pvt. Ltd.
6	Aruna Anantha Padmanabhan	Executive Vice President	21,898,465	Bachelor Of Law	29	22 March 2010	51	IBM India Pvt. Ltd.
7	Ritesh Talapatra	Executive Vice President	20,918,314	Masters in Math/ Computer Science, MBA	23	10 April 2003	49	Juice Software
8	Apoorva Singh	Executive Vice President	19,169,472	PG Diploma in Business Mgmt - Marketing	16	28 June 2010	49	Infosys Limited
9	Dharmendra Patwardhan	Executive Vice President	17,680,857	B.Com., CA	22	01 April 2016	51	Williams Lea India Pvt. Ltd.
10	Milind Vinod Dikshit	Corporate Vice President	16,748,958	B. Tech., PGDBM	22	22 October 2012	46	Mphasis Ltd.

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

S. No.	Name	Designation of the Employee	Remuneration Received	Qualification	Experience	Date of Commencement of Employment	Age	Last Employment Held
1	Sujit Sircar	Corporate Vice President	127,152,975	B.Com., CA	28	15 April 1998	50	Wipro Ltd.
2	Srinivasa Rao Kandula	Corporate Vice President	123,147,169	M.A., MBA, Ph.D	29	08 January 2007	55	Sasken Technologies Ltd.
3	Karine Marchat	Corporate Vice President	32,942,975	Masters in Finance	28	22 February 2017	49	KPMG
4	Aruna Jayanthi	Corporate Vice President	27,639,543	B.Sc., MBA	33	15 February 2000	55	Aptech Ltd.
5	Chellanamasivayam M M	Senior Vice President	22,749,001	B.E.	28	15 July 1997	50	Arthur Andersen India Pvt. Ltd.
6	Aruna Anantha Padmanabhan	Executive Vice President	21,898,465	Bachelor Of Law	29	22 March 2010	51	IBM India Pvt. Ltd.
7	Ritesh Talapatra	Executive Vice President	20,918,314	Masters in Math/ Computer Science, MBA	23	10 April 2003	49	Juice Software

S. No.	Name	Designation of the Employee	Remuneration Received	Qualification	Experience	Date of Commencement of Employment	Age	Last Employment Held
8	Apoorva Singh	Executive Vice President	19,169,472	PG Diploma in Business Mgmt - Marketing	16	28 June 2010	49	Infosys Limited
9	Dharmendra Patwardhan	Executive Vice President	17,680,857	B.Com., CA	22	01 April 2016	51	Williams Lea India Pvt. Ltd.
10	Milind Vinod Dikshit	Corporate Vice President	16,748,958	B. Tech., PGDBM	22	22 October 2012	46	Mphasis Ltd.
11	Mukund Srinath	Vice President	16,488,290	M.Com., FCS, LL.B.	34	02 November 2000	57	Smithkline Pharma Ltd.
12	Deepankar Khiwani	Corporate Vice President	15,103,894	CA., PGDBM	20	01 June 1998	46	SmithKline Beecham Pharmaceuticals Ltd.
13	Anil Jalali	Senior Vice President	14,836,612	MBA	22	17 November 2016	47	IBM India Pvt. Ltd.
14	Amit Parekh	Executive Vice President	14,611,310	B.Com., CA	26	01 April 2016	50	Capgemini Australia Pte Ltd
15	Narayan BL	Corporate Vice President	14,210,688	B.Com., ICWA	35	01 July 2014	59	Hindustan Unilever Ltd.
16	Sandeep Dhar	Executive Vice President	14,136,977	Post Graduation Diploma in Business Management	27	05 April 2017	53	Tesco Plc
17	Arvind Kumar	Senior Director	13,997,146	B.A.	21	01 January 2013	43	AT&T Telecom Pvt.;td.
18	Kishor Chitale	Corporate Vice President	13,983,772	B.Sc., PGDMM	35	01 December 2003	58	Deloitte Consulting India Pvt Ltd
19	Ashwin Yardi	Corporate Vice President	13,752,546	B.E., MBA	24	01 April 1997	49	PricewaterhouseCoopers India LLP
20	Atul Kumar Samalia	Vice President	13,643,899	MBA	35	01 September 2012	51	Bayer (India) Ltd.
21	Mahesh Chandra Guru	Vice President	13,230,917	B.E., MBA	25	11 July 1995	46	IGATE Corporation
22	Kishor Keshaorao Wikhe	Executive Vice President	12,751,229	M.E.	26	30 November 2010	49	Symphony Services Corp India Pvt. Ltd.
23	Dhiraj Kumar Sinha	Vice President	12,536,882	Masters in Management (Marketing)	24	02 May 1994	47	NTT Data India Private Ltd
24	Girish Wardadkar	Senior Vice President	12,389,591	B.E.	34	05 August 2013	57	Larsen and Toubro Ltd.
25	Sandhya Virendra Sule	Vice President	12,317,041	M.Tech.	34	07 April 2003	56	Tata Infotech Ltd.
26	Dayanand Allapur	Vice President	11,929,733	B.A., M.B.A.	23	01 April 2016	53	Tesco Plc
27	Duraivel Gopal	Vice President	11,703,968	Masters of Engineering & Technology - Software	26	10 November 2016	46	TechM

S. No.	Name	Designation of the Employee	Remuneration Received	Qualification	Experience	Date of Commencement of Employment	Age	Last Employment Held
28	Arul Kumaran Paramanandam	Executive Vice President	11,464,496	B.Sc.	25	22 May 2003	45	Accenture Services Pvt. Ltd.
29	Sudharshan Shankavaram	Senior Vice President	11,458,046	M.E.	25	17 June 2013	46	Syntel Ltd.
30	Varsha Kotdiya	Senior Director	11,398,491	Diploma in non-Engg. Field - Finance Management	13	12 September 2005	39	Infosys Limited
31	Kiran Cavale	Senior Vice President	10,967,394	M.Sc.	30	04 April 2011	52	Mahindra Satyam Ltd.
32	Sivakumar Nuti	Vice President	10,918,898	M.Sc.	25	06 August 2012	49	GSS Infotech Pvt. Ltd.
33	Amit Trifale	Senior Director	10,707,063	Bachelor of Engg./ Technology	17	24 August 2001	42	Wipro Ltd.
34	Dayakar Reddy	Senior Vice President	10,615,758	B.Sc.	27	01 April 2015	59	The Australia and New Zealand Banking Group Ltd.
35	Ramesh Kumar Ramamurthy	Vice President	10,555,204	M.Sc.	23	12 May 2014	47	Cognizant Technology Solutions
36	Viswanath Krishnan	Vice President	10,548,983	B.Com, ICWAI	32	13 April 2009	54	Hindustan Unilever Ltd.
37	Niraj Parihar	Executive Vice President	10,535,524	B.E.	23	01 June 2011	45	Larsen and Tubro Infotech Ltd.
38	Priyadarshan Ranjankar	Senior Vice President	10,241,856	B.E.	36	13 November 2006	57	Quninnox Consultant Services Ltd.

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

S. No.	Name	Designation of the Employee	Remuneration Received	Qualification	Experience	Date of Commencement of Employment	Age	Last Employment Held
1	Aruna Anantha Padmanabhan	Executive Vice President	21,898,465	Bachelor Of Law	29	22 March 2010	51	IBM India Pvt. Ltd.
2	Apoorva Singh	Executive Vice President	19,169,472	PG Diploma in Business Mgmt - Marketing	16	28 June 2010	49	Infosys Limited
3	Sandeep Dhar	Executive Vice President	14,136,977	Post Graduation Diploma in Business Management	27	05 April 2017	53	Tesco Plc
4	Arvind Kumar	Senior Director	13,997,146	B.A.	21	01 January 2013	43	AT&T Telecom Pvt. Ltd.
5	Dhiraj Kumar Sinha	Vice President	12,536,882	Masters in Management (Marketing)	24	02 May 1994	47	NTT Data India Private Ltd
6	Vishal Dixit	Senior Director	8,559,050	Masters in Management	14	03 May 2004	41	IBM India Pvt. Ltd.
7	Seema Trivedi	Vice President	7,866,697	Masters in Management (Marketing)	23	19 March 2015	50	Hinduja Global Solutions

S. No.	Name	Designation of the Employee	Remuneration Received	Qualification	Experience	Date of Commencement of Employment	Age	Last Employment Held
8	Nagasamy Pitchai	Senior Vice President	7,676,768	M.E.,PGDBM	36	18 April 2001	60	Keane, Inc. (US)
9	Sam Handa	Vice President	7,120,099	MBA - Marketing & IS	12	01 September 2017	42	Mphasis
10	Rangaraj Sriramulu	Vice President	6,930,329	MBA	26	01 January 2009	45	HTMT Global Solutions Ltd
11	Atul Sood	Vice President	6,215,138	Bachelor of Engg./ Technology - Mechanical	16	21 September 2017	46	Wipro Ltd.
12	Rajeev Rajagopalan	Vice President	5,590,915	Masters in Mechanical Engineering	22	24 June 1996	43	Infosys Limited
13	Harbinder Bindra	Vice President	5,030,764	BE, PGDBM	27	27 April 2016	51	JP Morgan Services India Pvt Ltd
14	Viswanathan Vaidyanathan	Vice President	4,862,613	Master of Business Administration	30	23 July 2008	57	iGATE Global Solutions Limited
15	Mohana Rajaram	Director	3,705,127	BTech in Electrical & Electronics	16	08 October 2001	39	Oracle Financial Services Software Pvt Ltd
16	Kripashankar Rajappa	Executive Vice President	3,626,292	PGDSM	29	01 January 2008	51	NIIT Ltd.
17	Sharad Mohan	Senior Director	3,456,876	Masters of Technology	23	01 July 1994	47	Birlasoft Ltd.
18	Eric Anklesaria	Vice President	1,799,543	Bachlor of Business Management	19	14 September 1998	40	KPMG Advisory Services Pvt. Ltd
19	Praveen Kumar Sinha	Senior Director	1,566,016	Post Graduation NIIT	27	24 February 2014	50	Persistent Systems Ltd.
20	George Philip	Vice President	1,509,009	Postgraduate Diploma in Mgmt	22	06 May 1996	46	Mindtree Ltd
21	Devesh M Nayel	Executive Vice President	960,668	B.Com., MMS, ACS, ICWA, DBF	29	01 April 2016	56	British Telecom Global Sevices Pvt Ltd

NOTES:

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

For and on behalf of Board of Directors
Capgemini Technology Services India Limited
(formerly known as IGATE Global Solutions Limited)

Srinivasa Rao Kandula
Managing Director
DIN - 07412426

Kalpana Rao
Director
DIN - 07093566

Place : Mumbai
Date : 25 July 2018

Annexure V

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

To,

The Members,

CAPGEMINI TECHNOLOGY SERVICES India LIMITED

(Formerly known as IGATE Global Solutions Limited)

Pune

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

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2018, ("period under review"), 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure I,** for the period under review, according to the applicable provisions of:
   - (i) The Companies Act, 2013 ("the Act") and the rules made thereunder and the Companies Act, 1956 *(to the extent applicable)*;
   - (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: **Not Applicable**
   - (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, to the extent applicable;
   - (v) 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, to the extent applicable;
2. We have relied on the representations made by the Company and its officers and report of the Internal Auditor for systems and mechanism formed by the Company for compliances under other applicable Laws. The list of other laws applicable to the Company is given in **Annexure - II.**
3. We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that:

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

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

All resolutions/decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees.

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

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

We further report that

The company being unlisted, there were no events/ actions in pursuance of:

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

(h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We further report that the Company had filed an application under the Act with the Central Government for approval of excess remuneration paid to one of its Whole Time Directors during the year ended 31st March 2016 wherein the Central Government directed the Company to recover the excess remuneration paid to the tune of Rs. 17,25,52,000/- (Rupees Seventeen Crore Twenty-Five Lac and Fifty-Two Thousand Only) vide their communication order dated 1 December 2017. Thereafter, the Company has filed a review of the aforesaid order on 19 April 2018 seeking waiver of the recovery of excess remuneration paid. The application is pending with the Central Government.

We further report that in the Board Meeting held on 4th May, 2017, Mr. Srinivasa Rao Kandula (DIN : 07412426) was appointed as the Managing Director of the company.

We further report that in the Board meeting held on 23rd June, 2017, resolution for amalgamation of its wholly owned subsidiary, Capgemini Solutions Private Limited (formerly known as AXA Technologies Shared Services Private Limited) was passed.

Further, in the Board meeting held on 23rd February, 2018, resolutions for

i. amalgamation of its wholly owned subsidiary TCube Software Solutions Private Limited.

ii. disinvestment of the shares held in IGATE Singapore Pte. Ltd., its stepdown subsidiary in China a wholly owned subsidiary of the Company by sale of shares to Capgemini Singapore Pte. Ltd.

Place : Mumbai

Date : 16 July 2018

DILIP BHARADIYA
Proprietor
DILIP BHARADIYA & ASSOCIATES
FCS No.: 7956., C P No.: 6740

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

ANNEXURE - I

List of documents verified:

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended March 31, 2017.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee, alongwith the Attendance Registers, held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Statutory Registers viz.
    - Register of Directors' & KMP
    - Register of Directors' Shareholding
    - Register of Employee Stock Options
    - Register of loans, guarantees and security and acquisition made by the Company
    - Register of Renewed and Duplicate Share Certificate
    - Register of Charge
    - Register of Related Party Transaction
    - Register of Members
6. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2), Section 149(3) and Section 149(7) of the Companies Act, 2013.
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013, alongwith the attachments thereof, during the financial year under report.

ANNEXURE - II

List of applicable laws to the Company

1. The Information Technology Act, 2000
2. The Special Economic Zone Act, 2005
3. Policy relating to Software Technology parks of India and its regulations
4. The Indian Copyright Act, 1957
5. The Patents Act, 1970
6. The Trade Marks Act, 1999
7. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
8. Local Municipal Corporation Act & Bye Laws (city-wise)
9. Shops and Establishment Act & Rule (State wise)
10. Acts prescribed under prevention and control of pollution;
11. Acts prescribed under Environmental protection;
12. Acts as prescribed under Direct Tax and Indirect Tax
13. Land Revenue laws of respective States;
14. Labour Welfare Act of respective States;
15. Economic/ Commercial Laws as applicable.

ANNEXURE - III

To,

The Members,

CAPGEMINI TECHNOLOGY SERVICES India LIMITED (“the Company)

(Formerly known as IGATE Global Solutions Limited)

Pune

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

1) Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of 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, I followed provide a reasonable basis for our opinion.

3) I have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.

4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6) The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **DILIP BHARADIYA & ASSOCIATES**

DILIP BHARADIYA
Proprietor
FCS No.: 7956, C P No.: 6740

Place : Mumbai
Date : 16 July 2018

ANNEXURE VI

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

<table>
<tr><td>1</td><td>A brief outline of the Company's CSR Policy, including overview of the Projects or Programs proposed to be undertaken and a reference to the web-link to the CSR Policy and the Projects or Programs.</td><td>The Company's Corporate Social Responsibility Program believes in supporting pivotal areas of social change, which will play a significant role in building a better tomorrow for children and community at large. The Company supports Education (with special emphasis on girl child education) as its focus areas of support. It also provides scholarship for medical education, waste management, digital literacy and e-governance.

The Company's Corporate Responsibility & Sustainability vision is 'to be leaders in sustainable excellence through a bold and influential approach, positively impacting the Group's future, clients, society and the planet.'

The Company's goal is to 'Enhance identity and reputation as a Responsible Corporate by mobilizing and contributing with skills and resources in building a better and harmonized society through intensive collaboration and cooperation with multiple stakeholders including communities, customers, governments and employees.'

The key objectives to achieve these goals are:

1. To take up programs that benefit the communities in and around the Company's work centre and further result in enhancing the quality of life and economic well being of the local populace.

2. To express commitment to the social development good through responsible business practices and good governance.

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

3. To engage with state and its agencies in pursuing the development agenda for sustainable change.

The link to the CSR policy is given below :

https://www.capgemini.com/in-en/what-we-do/group-overview/capgemini-technology-services-India-limited-formerly-known-as-igate-global-solutions-limited/</td></tr>
<tr><td>2</td><td>The Composition of the CSR Committee</td><td>Ms. Kalpana Rao – Chairperson
Mr. R Ramaswamy
Mr. Srinivasa Rao Kandula (appointed w.e.f. 04 May 2017)
Mr. Ashwin Yardi (appointed w.e.f. 04 May 2017)
Ms. Aruna Jayanthi (appointed w.e.f. 04 May 2017)
Ms. Karine Marchat (appointed w.e.f 04 May 2017)</td></tr>
<tr><td>3</td><td>Average net profits of the Company for the last three financial years</td><td>INR 11,720,868,873</td></tr>
<tr><td>4</td><td>Prescribed CSR Expenditure (two percent of the amount as in item 3 above)</td><td>INR 234,417,377</td></tr>
<tr><td>5</td><td>Details of CSR spend for the financial year 2017-18:</td><td></td></tr>
<tr><td></td><td>a. Total amount to be spent for the financial year.</td><td>INR 234,417,377</td></tr>
<tr><td></td><td>b. Amount unspent, if any.</td><td>INR 73,924,003</td></tr>
<tr><td></td><td>c. Manner in which the amount spent during the financial year.</td><td>INR 160,493,375</td></tr>
<tr><td>6</td><td>In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report</td><td>Board has allocated 2% as per the requirement, but at project level as the engagement is with multiple stakeholders the disbursement was made as per milestone achieved by NGOs.</td></tr>
<tr><td>7</td><td>A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company</td><td>The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.</td></tr>
</table>

Manner in which the amount spent during the financial year is detailed :							
Sr. No.	**CSR Project/ Activity Identified**	**Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013, as amended)**	**Project of program(1) Local area or other(2) Specify the state or district where projects or programs was undertaken**	**Amount outlay(budget) project or program wise 2017-18 (Amount in INR)**	**Amount spent on the projects or programs sub heads(1) direct expenditure or program(2) overheads FY 2017-18 (FY)**	**Cumilative Expenditure upto the reporting period ie. FY 2017-18 (Amount in INR)**	**Amount spent direct or though implementing agency**
1	Environment - Virtual Classroom	4	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates . The project is being implemented in 1. Bangalore (Karanataka) 2. Chennai (Tamil Nadu) 3. Noida (UP), 4. Hyderabad (Telangana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Pune (Maharashtra) 8. Salem (Tamil Nadu) 9. Trichy (Tamil Nadu) 10. Delhi (Delhi NCR)	7,490,315	**Direct Expenditure:** 7,245,366 **Overheads** 244,949	11,922,985	**Implementing Agency** World Wide fund for nature
2	Enlight - Scholarship for girl child education	2	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates . The project is being implemented in 1. Bangalore (Karanataka) 2. Chennai (Tamil Nadu) , 3. Hyderabad (Telangana) 4. Kolkata (West Bengal) 5. Mumbai (Maharashtra) 6. Pune (Maharashtra) 7. Salem (Tamil Nadu) 8. Trichy (Tamil Nadu) 9. Delhi (Delhi NCR)	11,187,500	**Direct Expenditure:** 10,068,750 **Overheads** 11,18,750	20,592,500	**Implementing Agency** Aide et Action
3	Capgemini - LEAP Inclusion	2	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates . The project is being implemented in 1. Noida (UP), 2. Hyderabad (Telangana) 3. Mumbai (Maharashtra) 4. Pune (Maharashtra) 5. Delhi (Delhi NCR)	15,053,320	**Direct Expenditure:** 14,121,863 **Overheads** 931,457	38,942,711	**Implementing Agency** 1. Delhi Council for Child Welfare 2. Nirmalya Trust 3.Sarthak Educational Trust 4.Youth4Jobs Foundation
4	Capgemini - LEAP	2	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates . The project is being implemented in 1. Bangalore (Karanataka) 2. Chennai (Tamil Nadu) 3. Noida (UP), 4. Hyderabad (Telangana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Pune (Maharashtra) 8. Salem (Tamil Nadu) 9. Trichy (Tamil Nadu) 10. Delhi (Delhi NCR)	47,258,095	**Direct Expenditure:** 25,692,924 **Overheads** 2,141,169	65,507,293	**Implementing Agency** 1. American India Foundation 2. Anirban Rural Welfare Society 3. Udyogini 4.Kherwadi Social Welfare Association 5. Women's India Trust 6. Save The Children India

Manner in which the amount spent during the financial year is detailed :							
Sr. No.	**CSR Project/ Activity Identified**	**Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013, as amended)**	**Project of program(1) Local area or other(2) Specify the state or district where projects or programs was undertaken**	**Amount outlay(budget) project or program wise 2017-18 (Amount in INR)**	**Amount spent on the projects or programs sub heads(1) direct expenditure or program(2) overheads FY 2017-18 (FY)**	**Cumilative Expenditure upto the reporting period ie. FY 2017-18 (Amount in INR)**	**Amount spent direct or though implementing agency**
5	Scholarship for Technical and Medical Education	2	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates . The project is being implemented in 1. Bangalore (Karanataka) 2. Chennai (Tamil Nadu) 3. Noida (UP), 4. Hyderabad (Telangana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Pune (Maharashtra) 8. Salem (Tamil Nadu) 9. Trichy (Tamil Nadu) 10. Delhi (Delhi NCR) 11 Ahmedabad (Gujarat)	24,753,966	**Direct Expenditure:** 13,262,816 **Overheads** 491,150	47,770,772	**Implementing Agency** 1. Foundation for Excellence 2. Lila Poonawalla Foundation 3. Prerana
6	School Adoption Program -Upgrading government schools in periphery of Capgemini offices	2	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates . The project is being implemented in 1. Bangalore (Karanataka) 2. Chennai (Tamil Nadu) 3. Noida (UP), 4. Hyderabad (Telangana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Pune (Maharashtra) 8. Salem (Tamil Nadu) 9. Trichy (Tamil Nadu)	57,641,429	**Direct Expenditure:** 53,677,886 **Overheads** 3,963,543	132,949,145	**Implementing Agency** 1. Deenabandhu Trust 2. Digital Empowerment Foundation 3. Hope Foundation 4. Plan International (India chapter) 5. SRF Foundation 6. SSRVM Trust
7	Capgemini Tools to School Program	2	The project is being implemented in the local area where Capgemini Technology Services India Limited as business presence through offices and associates. The project is being implemented in 1. Mumbai (Maharashtra)	3,458,180	**Direct Expenditure:** 3,458,180 **Overheads** 0	8,429,960	**Implementing Agency** Association for Voluntary Action
8	Waste Management Centre	4	The project is being implemented in the local area where Capgemini Technology Services India Limited as business presence through offices and associates. The project is being implemented in 1. Mumbai (Maharashtra)2. Bangalore (Karnataka)	11,297,500	**Direct Expenditure:** 1,297,500 **Overheads** 0	14,430,112	**Implementing Agency** 1. Saahas 2. Stree Mukti Sanghatana

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

Sr. No.	CSR Project/ Activity Identified	Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project of program(1) Local area or other(2) Specify the state or district where projects or programs was undertaken	Amount outlay(budget) project or program wise 2017-18 (Amount in INR)	Amount spent on the projects or programs sub heads(1) direct expenditure or program(2) overheads FY 2017-18 (FY)	Cumilative Expenditure upto the reporting period ie. FY 2017-18 (Amount in INR)	Amount spent direct or though implementing agency
9	Others/ Accreditation of NGO Partners	2	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates . The project is being implemented in 1. Bangalore (Karanataka) 2. Chennai (Tamil Nadu) 3. Noida (UP), 4. Hyderabad (Telangana) 5. Kolkata (West Bengal) 6. Mumbai (Maharashtra) 7. Pune (Maharashtra) 8. Salem (Tamil Nadu) 9. Trichy (Tamil Nadu)	1,782,000	**Direct Expenditure:** 1,603,800 **Overheads** 178,200	5,759,600	**Implementing Agency** Credibility Alliance
10	Study Center Program	2	The project is being implemented in the local area where Capgemini Technology Services India Limited as business presence through offices and associates. The project is being implemented in 1. Mumbai (Maharashtra)	3,431,925	**Direct Expenditure:** 3,431,925 **Overheads** 0	8,849,676	**Implementing Agency** Save The Children India
11	Train The Trainer Program	2	The project is being implemented in the local area where Capgemini Technology Services India Limited as business presence through offices and associates. The project is being implemented in 1. Pune (Maharashtra)	22,942,056	**Direct Expenditure:** 1,942,056 **Overheads** 0	1,942,056	**Implementing Agency** Udyogini
12	Positive Parenting and Child Helpline	2	The project is being implemented in the local area where Capgemini Technology Services India Limited as business presence through offices and associates. The project is being implemented in 1. Mumbai (Maharashtra)	2,475,900	**Direct Expenditure:** 2,253,069 **Overheads** 222,831	2,475,900	**Implementing Agency** Parisar Asha
13	Capgemini ACE - Coaching program for class XI & XII	2	The project is being implemented in the local area where Capgemini Technology Services India Limited has business presence through offices and associates . The project is being implemented in 1. Bangalore (Karanataka) 2. Chennai (Tamil Nadu) 4. Hyderabad (Telangana)	18,002,649	**Direct Expenditure:** 4,952,384 **Overheads** 550,265	5,502,649	**Implementing Agency** Prerana
14	Expenses of CSR Team			7,642,542	7,642,542		
	TOTAL			**234,417,377**	**160,493,375**	**365,075,359**	

ANNEXURE VII

Form No. MGT 9

EXTRACT OF ANNUAL RETURN
As on financial year ended on 31 March 2018

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	U85110PN1993PLC145950
2	Registration Date	27 December 1993
3	Name of the Company	Capgemini Technology Services India Limited (formerly known as IGATE Global Solutions Limited)
4	Category/Sub-category of the Company	Public Company limited by shares
5	Address of the Registered office & contact details	No.14, Rajiv Gandhi Infotech Park, Hinjawadi, Phase III, MIDC-SEZ, Village Man, Taluka Mulshi, Pune - 411 057, Maharashtra T: +91-20-66991000| F: +91-20-66995050 Email:cgcompanysecretary.in@capgemini.com| www.in.capgemini.com
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Pvt. Ltd., Karvy Selenium Tower No.B, Plot No.31-32,Gachibowli,Financial District, Nanakramguda Hyderabad : 500 032 – Telangana, India T: + 91 040 67161591 | www.karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
	Other information technology and computer service activities	62099	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Capgemini America Inc. 79 Fifth Avenue, 3rd floor, New York NY 10003	NA	Holding	43.10	2(46)
2	PAN Asia Solutions Suite 206, SIT Business Center, NG Tower, Cyber City, Ebene, Mauritius	NA	Holding	23.10	2(46)
3	Capgemini North America Inc. 79 Fifth Avenue, 3rd floor, New York NY 10003	NA	Holding	21.58	2(46)
4	Capgemini SE 11, Rue de Tilsitt, 75017 Paris	NA	Holding	11.99	2(46)
5	IGATE Infrastructure Management Services Limited No. 14, Rajiv Gandhi Infotech Park, Hinjawdi, Phase III, MIDC-SEZ, Village Man, Taluka Mulshi, Pune - 411057, Maharashtra	U74140PN1999PLC164626	Subsidiary	100	2(87)
6	TCube Software Solutions Private Limited Akruti Softech Park, 4th Floor, MIDC Cross Road No. 21, MIDC, Andheri (East) Mumbai - 400093	U72200MH2009PTC305258	Subsidiary	100	2(87)

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

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 March 2017]				No. of Shares held at the end of the year [As on 31 March 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	-	-	-	-	-	-	-	-	-
(2) Foreign									
(a)Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	26,319,959	32,682,402	59,002,361	99.77	26,319,959	32,682,402	59,002,361	99.77	0.00
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	**26,319,959**	**32,682,402**	**59,002,361**	**99.77**	**26,319,959**	**32,682,402**	**59,002,361**	**99.77**	**0.00**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**26,319,959**	**32,682,402**	**59,002,361**	**99.77**	**26,319,959**	**32,682,402**	**59,002,361**	**99.77**	**0.00**
Total shareholding of Promoter (A)	**26,319,959**	**32,682,402**	**59,002,361**	**99.77**	**26,319,959**	**32,682,402**	**59,002,361**	**99.77**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	11	0	11	0.00	11	0	11	0.00	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (NBFC)	11	0	11	0.00	11	0	11	0.00	0.00
Sub-total (B)(1):-	**22**	**0**	**22**	**0.00**	**22**	**0**	**22**	**0.00**	**0.00**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	5,561	0	5,561	0.01	5,486	0	5,486	0.01	0.00
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	127,356	103	127,459	0.22	127,322	131	127,453	0.22	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	2,755	18	2,773	0.00	2,443	19	2,462	0.00	0.00

NRI Non Repatriation	1,324	0	1,324	0.00	1,716	0	1,716	0.00	0.00
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies – D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**136,996**	**121**	**137,117**	**0.23**	**136,967**	**150**	**137,117**	**0.23**	**0.00**
TotalPublic Shareholding (B)=(B)(1)+ (B)(2)	**137,018**	**121**	**137,139**	**0.23**	**136,989**	**150**	**137,139**	**0.23**	**0.00**
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**26,456,977**	**32,682,523**	**59,139,500**	**100**	**26,456,948**	**32,682,552**	**59,139,500**	**100**	**0.00**

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year as on 01 April 2017			Shareholding at the end of the year as on 31 March 2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Capgemini America Inc	25,487,362	43.10	0	25,487,362	43.10	0	
2.	Pan Asia Solutions	13,659,959	23.10	0	13,659,959	23.10	0	
3.	Capgemini North America Inc	12,764,378	21.58	0	12,764,378	21.58	0	
4.	Capgemini SE	7,090,662	11.99	0	7,090,662	11.99	0	
	Total	**59,002,361**	**99.77**	**Nil**	**59,002,361**	**99.77**	**Nil**	

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

SN	Particulars	Shareholding at the beginning of the year as on 01 April 2017		Cumulative Shareholding during the year (01 April 2017 to 31 March 2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	59,002,361	99.77	59,002,361	99.77
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	59,002,361	99.77	59,002,361	99.77

D) Shareholding Pattern of top ten Shareholders:

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

SN	Name of Top 10 Share Holder	Shareholding at the beginning of the Year		Increase / Decrease in shareholding		Cumulative Shareholding during the Year	
		Noof Shares	% of total shares of the company	No. of shares	Reason	No of Shares	% of total shares of the company
1.	Ajay Kumar	865	0.00	36	Purchase	901	0.00
2.	Ramesh Champalal Jain	798	0.00	0	Nil movement	798	0.00
3.	Bhavnaben Nikhilesh Patel	181	0.00	375	Purchase	556	0.00
4.	Bahubali Goods Private Limited	550	0.00	0	Nil movement	550	0.00
5.	Arcadia Share & Stock Brokers Pvt Ltd	547	0.00	0	Nil movement	547	0.00
6.	Karvy Stock Broking Limited	529	0.00	2	Purchase		
				-45	Sale		
				-17	Sale	469	0.00
7.	Ishwar Jayantilal Kakkad	511	0.00	0	Nil movement	511	0.00
8.	Ambalal Parsottamdas Patel	375	0.00	-375	Sale	0	0.00
9.	Nitin Dattatraya Motlag	366	0.00	0	Nil movement	366	0.00
10.	K Chandrabhan	352	0.00	0	Nil movement	352	0.00

E) Shareholding of Directors and Key Managerial Personnel:

		Shareholding at the beginning of the Year				Cumulative Shareholding during the Year	
SN	Key Managerial Personnel	No of Shares	% of total shares of the company	Increase / Decrease in shareholding	Reason	No of Shares	% of total shares of the company
	NA						

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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Principal Amount	-	82,900,000	Nil	82,900,000
Interest due but not paid	-	6,723,956	Nil	6,723,956
Interest accrued but not due	-	-	Nil	-
Total (i+ii+iii)	**-**	89,623,956	Nil	89,623,956
Change in Indebtedness during the financial year	-	-	Nil	-
* Addition	-	8,290,000	Nil	8,290,000
* Reduction	-	(829,000)	Nil	(829,000)
Net Change	-	7,461,000	Nil	7,461,000
Indebtedness at the end of the financial year	-	-	Nil	-
Principal Amount	-	82,900,000	Nil	82,900,000
Interest due but not paid	-	14,184,956	Nil	14,184,956
Interest accrued but not due	-	-	Nil	-
Total (i+ii+iii)	**-**	97,084,956	Nil	97,084,956

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: (Amount in INR)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager
		Mr. Srinivasa Rao Kandula
		(04 May 2017 to 31 March 2018)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	121,318,444.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	64,549.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission -as % of profit - others, specify	-
5	Others, (Provident Fund)	474,290.00
	Total	121,857,283.00

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager
		Mr. Sujit Sircar
		(01 April 2017 to 24 October 2017)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	114,044,632.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,048.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission -as % of profit - others, specify	-
5	Others, (Provident Fund)	355,645.00
	Total	114,403,325.00

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager
		Ms. Aruna Jayanthi
		(04 May 2017 to 31 March 2018)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,413,700.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	83,039.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission -as % of profit - others, specify	-
5	Others, (Provident Fund)	812,835.00
	Total	26,309,574.00

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager
		Mr. Ashwin Yardi
		(04 May 2017 to 31 March 2018)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,502,276.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	36,814.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission -as % of profit - others, specify	-
5	Others, (Provident Fund)	408,871.00
	Total	12,947,961.00

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager
		Mr. Ritesh Talapatra
		(11 August 2017 to 31 March 2018)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,532,170.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	8,765.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission -as % of profit - others, specify	-
5	Others, (Provident Fund)	378,881.00
	Total	15,919,816.00

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager
		Ms. Karine Marchat
		(11 August 2017 to 31 March 2018)
1	Gross salary	11,082,634.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,659,289.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission -as % of profit - others, specify	-
5	Others, (Provident Fund)	1,182,270.00
	Total	21,924,193.00
	Total remuneration of all MD/WTD/ Manager	313,362,152.00
	Ceiling as per the Act (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)	1,945,429,261.00

B. Remuneration to other directors **(Amount in INR)**

SN.	Particulars of Remuneration	Name of Directors		Total	
1	Independent Directors	**Mrs. Kalpana Rao**	**Mr. R Ramaswamy**		
	Fee (Rs.) for attending board /committee meetings	475,000	475,000	950,000	
	Commission	-	-	-	
	Others, please specify	-	-	-	
	Total (1)	475,000	475,000	950,000	
2	Other Non-Executive Directors	**Mr. Hubert Giraud**	**Mr. Paul Hermelin**	**Mr. Patrick Nicolet**	**Total**
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	950,000
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				94,542,926

C. Remuneration to Key Managerial Personnel other than MD/Managerial/WTD (Amount in INR)

SN	Particulars of Remuneration	CS	CFO	CFO	Total
		Ms. Armin Billimoria (01 April 2017 to 31 March 2018)	Mr. Nagesh Kumar (01 April 2017 to 04 May 2017)	Ms. Karine Marchat (04 May 2017 to 31 March 2018)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,508,888.00	397,918.00	14,885,794.00	18,792,600.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	13,717,816.00	13,717,816.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00	0.00
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	Others	-	-	-	-
5	Others, (Provident Fund)	168,036.00	16,435.00	1,656,225.00	1,840,696.00
	TOTAL	3,676,924.00	414,353.00	30,259,835.00	34,351,112.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Independent Auditor's Report

To The Members of Capgemini Technology Services India Limited *(formerly known as IGATE Global Solutions Limited)*

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Capgemini Technology Services India Limited (formerly known as IGATE Global Solutions Limited) ("the Company"), which comprise the Balance Sheet as at 31 March 2018, 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 a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS 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.

Auditor's Responsibility

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

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

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

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

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 49 to the standalone Ind AS financial statements which refers to managerial remuneration of Rs. 291 million paid to a whole-time director during the year ended 31 March 2016 in excess of the limits specified under section 197 and Schedule V of the Act. During the year, pursuant to the application by the Company, the Central government has approved remuneration amounting to Rs. 118 million and has directed the Company to recover the excess remuneration of Rs. 173 million. The Company has recorded such excess remuneration as recoverable in its standalone Ind AS financial statements as on 31 March 2018. However, no amount has been recovered till the date of this report. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

2. 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;

    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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;

    e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;

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

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer note 40 to the standalone Ind AS financial statements;

        ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer note 39 to the standalone Ind AS financial statements;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

        iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited standalone Ind AS financial statements for the year ended 31 March 2017 have been disclosed.

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

Vijay Mathur
Partner
Membership No. 046476

Mumbai
Date: 25 July 2018

Annexure A to the Independent Auditor's Report - 31 March 2018

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

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

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

Particulars	Gross block as at 31 March 2018 (Rs in million)	Net block as at 31 March 2018 (Rs in million)	Total number of cases	Remarks
Leasehold land	72	71	1	Pending registration
Freehold land	50	50	1	Pending pursuant to amalgamation
Leasehold land	106	92	6	Pending pursuant to amalgamation
Building	2,684	1,832	5	Pending pursuant to amalgamation

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

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

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

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

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

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

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

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

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Service Tax, duty of Customs, Value Added Tax, Cess and other statutory dues have been generally regularly deposited during the year with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of Excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Service Tax, duty of Customs, Value Added Tax, Cess and other statutory dues, were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the dues of Income tax, Sales tax, Service tax, duty of Customs, Value Added Tax which have not been deposited by the Company on account of disputes, are mentioned in Appendix 1 to this report.

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

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

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

(xi) Except for the managerial remuneration aggregating to Rs. 173 million which exceeded the permissible limit as prescribed under Schedule V of the Act and which the Central Government has directed the Company to recover, the managerial remuneration paid/ provided by the Company is in accordance with the requisite approvals as mandated by the provisions of Section 197. The Company has recorded the excess remuneration of Rs. 173 million as recoverable in its standalone Ind AS financial statements as on 31 March 2018. However, no amount has been recovered till the date of this report.

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

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

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

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

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

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

Vijay Mathur
Partner
Membership No: 046476

Mumbai
25 July 2018

Annexure A to the Independent Auditor's Report 31st March 2018

Appendix 1

Name of the Statute	Nature of the Dues	Amount (Rs. Million)	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Income-Tax Act, 1961	Income Tax	1	-	AY 2005-06	High Court, Bombay
Income-Tax Act, 1961	Income Tax	477	-	AY 2007-08	High Court, Bombay
Income-Tax Act, 1961	Income Tax	32	-	AY 2007-08	Commissioner Income Tax (Appeals) Mumbai
Income-Tax Act, 1961	Income Tax	3	3	AY 2006-07	Commissioner Income Tax (Appeals) Mumbai
Income-Tax Act, 1961	Income Tax	20	-	AY 2002-03	High Court, Bombay
Income-Tax Act, 1961	Income Tax	7	7	AY 2005-06	Commissioner Income Tax (Appeals) Mumbai
Income-Tax Act, 1961	Income Tax	0*	0*	AY 2007-08	Income Tax Appellate Tribunal, Mumbai
Income-Tax Act, 1961	Income Tax	2	-	AY 2008-09	Commissioner Income Tax (Appeals) Mumbai
Income-Tax Act, 1961	Income Tax	4	-	AY 2009-10	Commissioner Income Tax (Appeals) Mumbai
Income-Tax Act, 1961	Income Tax	8	-	AY 2010-11	Assistant Commissioner Income Tax, Chennai
Income-Tax Act, 1961	Income Tax	704	-	AY 2008-09	High Court, Bombay
Income-Tax Act, 1961	Income Tax	1,044	-	AY 2009-10	High Court, Bombay
Income-Tax Act, 1961	Income Tax	3	3	AY 2003-04	High Court, Bombay
Income-Tax Act, 1961	Income Tax	6	-	AY 2010-11	Income Tax Appellate Tribunal, Mumbai
Income-Tax Act, 1961	Income Tax	1,420	556	AY 2011-12	Income Tax Appellate Tribunal, Mumbai
Income-Tax Act, 1961	Income Tax	2,165	170	AY 2012-13	Income Tax Appellate Tribunal, Pune
Income-Tax Act, 1961	Income Tax	3,986	-	AY 2013-14	Income Tax Appellate Tribunal, Pune
Income-Tax Act, 1961	Income Tax	84	-	AY 2013-14	Commissioner Income Tax (Appeals), Mumbai
Income Tax Act, 1961	Income tax and interest demand	911	911	AY 2013-14	Income Tax Appellate Tribunal, Pune
Income Tax Act, 1961	Income tax and interest demand	597	92	AY 2010-11	Income Tax Appellate Tribunal, Pune
Income Tax Act, 1961	Income tax and interest demand	25	25	AY 2011-12	Income Tax Appellate Tribunal, Pune
Income Tax Act, 1961	Income tax and interest demand	18	18	AY 2005-06	Income Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Income tax and interest demand	17	23	AY 2010-11	Income Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Income tax and interest demand	3	3	AY 2010-11	Income Tax Appellate Tribunal, Pune
Income Tax Act, 1961	Income tax and interest demand	16	17	AY 2009-10	Income Tax Appellate Tribunal, Pune
Income Tax Act, 1961	Income tax	0*	-	AY 2002-03	High Court, Karnataka
Income Tax Act, 1961	Income tax	18	-	AY 2003-04	High Court, Karnataka
Income Tax Act, 1961	Income tax	41	-	AY 2005-06	Commissioner Income Tax (Appeals), Pune
Income Tax Act, 1961	Income tax and interest demand	103	-	AY 2007-08	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Income tax	18	-	AY 2008-09	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Income tax	219	-	AY 2011-12	Income Tax Appellate Tribunal, Pune
Income Tax Act, 1961	Income tax	122	-	AY 2012-13	Income Tax Appellate Tribunal, Pune
Income Tax Act, 1961	Income tax	2,485	-	AY 2006-07 till 2009-10	High Court, Bombay
Income Tax Act, 1961	Income tax demand and Interest	1,521	796	AY 2014-15	Commissioner Income Tax (Appeals), Pune
Income Tax Act, 1961	Income tax	3	-	AY 2008-09	High Court, Andhra Pradesh
Income Tax Act, 1961	Income tax	8	-	AY 2012-13	Commissioner Income Tax (Appeals), Hyderabad
Income Tax Act, 1961	Income tax	1	-	AY 2013-14	Commissioner Income Tax (Appeals), Hyderabad
Income Tax Act, 1961	Income tax and interest demand	318	-	AY 2002-03 till 2004-05	Supreme Court
Income Tax Act, 1961	Income tax demand	0	0	AY 2006-07	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Income tax demand	9	0	AY 2008-09	Assessing Officer

Name of the Statute	Nature of the Dues	Amount (Rs. Million)	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax demand	28	11	AY 2009-10	Commissioner Income Tax (Appeals), Bangalore
Income Tax Act, 1961	Income tax demand	5	1	AY 2010-11	Commissioner Income Tax (Appeals), Bangalore
Income Tax Act, 1961	Income tax demand	28	2	AY 2012-13	Commissioner Income Tax (Appeals), Bangalore
Income Tax Act, 1961	Income tax demand	28	4	AY 2013-14	Commissioner Income Tax (Appeals), Bangalore
Income Tax Act, 1961	Income tax demand	62	13	AY 2014-15	Commissioner Income Tax (Appeals), Bangalore
Income Tax Act, 1961	Income tax demand	0	0	AY 2010-11	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Income tax demand	0	0	AY 2011-12	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Income tax demand	17	2	AY 2012-13	Commissioner Income Tax (Appeals), Bangalore
West Bengal VAT	Sales tax	117	-	2008-09	Appellate and Revisional Board
West Bengal CST	Sales tax	109	-	2009-10	Appellate and Revisional Board
Maharashtra VAT/ CST	Sales tax	13	-	2006-07	Joint commissioner of Sales tax (Appeals)
Maharashtra VAT/ CST	Sales tax	12	-	2007-08	Joint commissioner of Sales tax (Appeals)
Maharashtra VAT/ CST	Sales tax	80	-	2009-10	Joint commissioner of Sales tax (Appeals)
Maharashtra VAT/ CST	Sales tax	99	-	2010-11	Joint commissioner of Sales tax (Appeals)
Maharashtra VAT/ CST	Sales tax	32	-	2008-09	Joint commissioner of Sales tax (Appeals)
Maharashtra VAT/ CST	Sales tax	113	-	2011-12	Joint Commissioner of Sales Tax
Finance Act, 1994	Service tax	34	-	2007-08 to 2011-12	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service tax	2	-	2008-09	Commissioner (Appeals)
Finance Act, 1994	Service tax	3	-	2012-13	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service tax	7	-	2013-14 & 2014-15	Commissioner (Appeals)
Finance Act, 1994	Service tax	3	-	2014-15	Commissioner (Appeals)
Finance Act, 1994	Service tax	93	-	2008-09	Commissioner (Appeals)
Finance Act, 1994	Service tax	34	-	2007-08 to 2011-12	Central Excise Service Tax Appellate Tribunal
Finance Act, 1994	Service tax	132	-	2006-2015	Central Excise Service Tax Appellate Tribunal
Finance Act, 1994	Service tax	253	-	2011-2014	Commissioner (Appeals)
Finance Act, 1994	Service tax	22	-	2014- 2016	Commissioner (Appeals)
Finance Act, 1994	Service tax	84	-	2006-2013	Central Excise Service Tax Appellate Tribunal
Maharashtra VAT/ CST	Sale tax	268	-	2013-14	Joint Commissioner (Appeal)
UP VAT/CST	Sale tax	29	-	2013-15	Joint Commissioner (Appeal)
AP VAT/CST	Sale tax	26	-	2006-14	Joint Commissioner Commercial Tax
Custom Act 1962	Sale tax	4	-	2007-08	Central Excise Service Tax Appellate Tribunal

* Amount is below the rounding off limit in million

Annexure B to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of Capgemini Technology Services India Limited – 31 March 2018

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

We have audited the internal financial controls with reference to the financial statements of Capgemini Technology Services India Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 were established and maintained, and, if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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 31 March 2018, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Vijay Mathur
Partner
Membership No: 046476

Mumbai
25 July 2018

Balance Sheet as at 31 March 2018

(Currency : INR in millions)

	Note	31 March 2018	31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	*3*	**19,881**	21,386
Capital work-in-progress	*4*	**7,180**	2,952
Intangible assets	*5*	**327**	427
Financial assets			
Investments	*6*	**543**	366
Loans	*7*	**71**	83
Others	*8*	**1,357**	1,419
Deferred tax assets (net)	*9*	**15,413**	16,146
Income tax assets (net)		**5,904**	5,726
Other non-current assets	*10*	**2,566**	2,723
Total non current assets		**53,242**	51,228
Current Assets			
Financial Assets			
Investments	*11*	**40,528**	21,168
Trade receivables	*12*	**16,596**	17,410
Cash and cash equivalents	*13*	**2,490**	8,400
Loans	*14*	**26**	7
Others	*15*	**8,252**	8,228
Other current assets	*16*	**2,240**	1,774
Total current assets		**70,132**	56,987
TOTAL ASSETS		**123,374**	108,215
EQUITY AND LIABILITIES			
Equity			
Equity share capital	*17*	**591**	591
Other equity		**98,832**	83,226
Total equity		**99,423**	83,817
Non current liabilities			
Financial liabilities			
Others	*18*	**36**	958
Provisions	*19*	**3,934**	4,214
Other non-current liabilities	*20*	**457**	518
Total non current liabilities		**4,427**	5,690
Current liabilities			
Financial liabilities			
Trade and other payables	*21*		
- Due to micro and small enterprises		**12**	10
- Due to other than micro and small enterprises		**6,830**	6,374
Others	*22*	**4,578**	5,074
Other current liabilities	*23*	**5,044**	3,782
Provisions	*24*	**1,278**	1,370
Income tax liabilities (net)		**1,782**	2,098
Total current liabilities		**19,524**	18,708
Total liabilities		**23,951**	24,398
TOTAL EQUITY AND LIABILITIES		**123,374**	108,215

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

As per our report of even date attached.

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

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

Vijay Mathur
Partner
Membership No: 046476

Srinivasa Rao Kandula
Managing Director
DIN - 07412426

Kalpana Rao
Director
DIN - 07093566

Armin Billimoria
Company Secretary

Sujit Sircar
Chief Financial Officer

Place : Mumbai
Date : 25 July 2018

Place : Mumbai
Date : 25 July 2018

Statement of Profit & Loss for the year ended 31 March 2018

(Currency : INR in millions)

	Note	31 March 2018	31 March 2017
Revenue from operations	25	**128,259**	119,359
Other income, net	26	**3,896**	6,062
Total income		**132,155**	125,421
Expenses			
Employee benefits expense	27	**83,403**	77,293
Finance costs	28	**102**	281
Depreciation and amortization expenses	29	**4,381**	4,176
Other expenses	30	**24,677**	23,232
Total expenses		**112,563**	104,982
Profit before tax		**19,592**	20,439
Tax expense:	32		
Current tax		**4,920**	5,676
Deferred tax charge / (credit)		**418**	(1,151)
Profit for the year		**14,254**	15,914
Other comprehensive income	31		
A (i) Items that will not be reclassified subsequently to Statement of profit and loss			
Remeasurements of the defined benefit plans (net)		**715**	73
B (i) Items that will be reclassified subsequently to Statement of profit and loss			
The effective portion of gains / (loss) on hedging instruments in a cash flow hedge		**(151)**	114
Exchange differences on translation of foreign operations		**(29)**	(78)
Total comprehensive income, net of tax		**535**	109
Total comprehensive income for the year		**14,789**	16,023
Earnings per equity share			
Nominal value of share Rs. 10 (31 March 2017: Rs. 10)			
Basic and diluted		**241.03**	269.09
Number of shares		**59,139,500**	59,139,500

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

As per our report of even date attached.

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

Vijay Mathur
Partner
Membership No: 046476

Place : Mumbai
Date : 25 July 2018

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

Srinivasa Rao Kandula
Managing Director
DIN - 07412426

Kalpana Rao
Director
DIN - 07093566

Armin Billimoria
Company Secretary

Sujit Sircar
Chief Financial Officer

Place : Mumbai
Date : 25 July 2018

Cash Flow Statement for the year ended 31 March 2018

(Currency : INR in millions)

		31 March 2018	31 March 2017
A.	**Cash flows from operating activities**		
	Profit before tax	**19,592**	20,439
	Adjustments for:		
	Depreciation and amortisation expenses	**4,381**	4,176
	Profit on sale of non - current investments	**(264)**	(182)
	Profit on sale of branches	**-**	(3,127)
	Income on mutual funds	**(2,342)**	(685)
	Provisions no longer required written back	**(11)**	-
	Provision for doubtful trade receivables written back	**(323)**	(4)
	Profit on sale / disposal of assets (net)	**(86)**	(36)
	Interest on deposits with banks	**(168)**	(901)
	Other interest (including interest on income tax refunds)	**(23)**	(474)
	Interest on income tax	**67**	253
	Impairment loss of investments written back	**-**	(211)
	Interest on borrowings	**28**	26
	Interest under MSMED Act, 2006	**7**	2
	Employee stock compensation expense	**303**	-
	Provision for doubtful trade receivables	**-**	601
	Provision for contingencies	**124**	(125)
	Unrealised foreign currency gain (net)	**(46)**	(36)
	Effect of exchange differences on translation of foreign currency cash and cash equivalents	**(1)**	51
	Unwinding of discount on Security Deposits	**-**	(1)
	Operating profit before working capital changes	**21,238**	19,766
	Changes in working capital		
	Increase in trade and other payables	**372**	654
	Decrease in other financials liabilities	**(334)**	(1,520)
	(Decrease) / increase in non current financials liabilities	**(409)**	716
	Increase in other current liabilities	**1,264**	1,159
	Decrease in other non current liabilities	**(61)**	(3)
	Increase in current provisions	**74**	223
	Increase in non current provisions	**541**	442
	Decrease / (increase) in trade receivables	**1,267**	(2,065)
	(Increase) / decrease in non current assets	**(281)**	370
	Increase in other current assets	**(464)**	(4)
	Increase in other financial assets	**(1,550)**	(786)
	Cash generated from operations	**21,657**	18,952
	Taxes paid, net	**(4,349)**	(4,774)
	Net cash generated from operating activities	**17,308**	14,178
B.	**Cash flows from investing activities**		
	Purchase of tangible and intangible assets	**(6,873)**	(6,408)
	Proceed from sale of tangible and intangible assets	**225**	148
	Purchase of non current investments	**(519)**	(1,691)
	Proceed from sale of non current investments	**606**	4,150
	Purchase of current investments	**(138,860)**	(51,594)
	Proceed from sale of current investments	**121,842**	37,821
	Increase in interest accrued on loan given to related party	**-**	6
	Interest received on fixed deposits and investments	**390**	800
	Net cash used in investing activities	**(23,189)**	(16,768)

Cash Flow Statement for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

		31 March 2018	31 March 2017
C.	**Cash flows from financing activities**		
	Payment towards employee stock option plans	**-**	(457)
	Finance cost	**(28)**	(29)
	Net cash used in Financing Activities	**(28)**	(486)
	Net (decrease) in cash and cash equivalents (A+B+C)	**(5,909)**	(3,076)
	Effect of exchange differences on translation of foreign currency cash and cash equivalent	**(1)**	(52)
	Cash and Cash equivalents at the beginning of the year	**8,400**	11,528
	Cash and Cash equivalents at the end of the year	**2,490**	8,400

Notes :

1)	**Reconciliation of Cash and Cash Equivalents:**		
	Cash and cash equivalents comprise of:		
	Cash on hand*	-	-
	Cheques on hand	**6**	-
	Remittances in transit	**34**	5
	In unpaid dividend accounts	**-**	2
	- in current accounts	**598**	1,156
	- in EEFC account	**60**	339
	- in deposits accounts	**1,792**	6,898
	Cash and Cash equivalents at the end of the year	**2,490**	8,400

*Amount is below rounding off limit

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

3) Figures in brackets represents outflow of cash and cash equivalents.

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

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

As per our report of even date attached.

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

Vijay Mathur
Partner
Membership No: 046476

Place : Mumbai
Date : 25 July 2018

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

Srinivasa Rao Kandula
Managing Director
DIN - 07412426

Kalpana Rao
Director
DIN - 07093566

Armin Billimoria
Company Secretary

Sujit Sircar
Chief Financial Officer

Place : Mumbai
Date : 25 July 2018

Statement of Changes in Equity (SOCIE) for the year ended 31 March 2018

(Currency : INR in millions)

(a) Equity share capital

	31 March 2018	31 March 2017
Equity share capital balance at the beginning	**591**	271
Increase in share capital on account of issue of equity shares (refer note 17)	**-**	320
Equity share capital balance at the end	**591**	591

(b) Other equity

Particulars	Attributable to the equity holders of the parent										
	Resevers and Surples							Items of Other comprehensive income			
	Capital Reserve	Building revaluation reserve	Securities Premium Account	Capital Redemption Reserve	General Reserve	Employees Stock Option Reserve	Retained earnings	Effective portion of Cash Flow Hedges	Exchange differences on translation of foreign operations	Remeasurements of the defined benefit plans	Total Other equity
Balance at March 31, 2016	(266)	1	834	330	1,409	469	64,934	39	(80)	64	67,734
Pursuant to amalgamation of Capgemini Solutions Private Limited (refer note 33)	(1,686)	-	38	6	161	-	1,449	-	-	32	-
Payment to Capgemini SE, ultimate holding company, towards stock compensation expense (refer note 44(ii))	-	-	-	-	-	-	(457)	-	-	-	(457)
Charge for stock compensation expense	-	-	-	-	-	(74)	-	-	-	-	(74)
Profit for the year	-	-	-	-	-	-	15,914	-	-	-	15,914
Other comprehensive income for the year	-	-	-	-	-	-	-	114	(78)	73	109
Total comprehensive income for the year	-	-	-	-	-	-	15,914	114	(78)	73	16,023
Balance at March 31, 2017	**(1,952)**	**1**	**872**	**336**	**1,570**	**395**	**81,840**	**153**	**(158)**	**169**	**83,226**
Unpaid employees stock option plan liability transferred (refer note 44 (ii))	-	-	-	-	-	514	-	-	-	-	514
Charge for the year	-		-	-	-	303	-	-	-	-	303
Profit for the year	-	-	-	-	-	-	14,254	-	-	-	14,254
Other comprehensive income for the year	-	-	-	-	-	-	-	(151)	(29)	715	535
Total comprehensive income for the year	-	-	-	-	-	-	14,254	(151)	(29)	715	14,789
Balance at March 31, 2018	**(1,952)**	**1**	**872**	**336**	**1,570**	**1,212**	**96,094**	**2**	**(187)**	**884**	**98,832**

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

As per our report of even date attached.

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

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

Vijay Mathur
Partner
Membership No: 046476

Place : Mumbai
Date : 25 July 2018

For and on behalf of the Board of Directors of

Capgemini Technology Services India Limited
CIN-U85110PN1993PLC145950

Srinivasa Rao Kandula
Managing Director
DIN - 07412426

Kalpana Rao
Director
DIN - 07093566

Armin Billimoria
Company Secretary

Sujit Sircar
Chief Financial Officer

Place : Mumbai
Date : 25 July 2018

Notes to the financial statements for the year ended 31 March 2018

(Currency : INR in millions)

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 services to large and medium-sized organizations using an offshore/onsite model. The Company has its branches and subsidiaries in United States, Australia, Switzerland and Malaysia. IT services and IT-enabled operations offshore outsourcing solutions are delivered using the offshore centres located in Bangalore, Gurgaon, Hyderabad, Chennai, Noida, Mumbai, Pune, Kolkata, Trichy, Salem and Gandhinagar in India.

Capgemini India Private Limited (CIPL) filed a scheme of merger with the Bombay High court on 3 February 2016, whereby the entire business and undertaking of CIPL had been transferred to the IGATE Global Solutions Limited (IGSL) effective 1 April 2015.

During the previous year, the Company had filed for change in name from IGSL to its current name Capgemini Technology Services India Limited and same was approved by ROC of Mumbai / Bangalore by issuing a revised certificate of Incorporation dated 16 December 2016. Consequently name of Company changed to Capgemini Technology Services India Limited with effect from 16 December 2016.

2 Significant accounting policies

a) Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 ("the Act") and other relevant provisions of the Act read with the Companies (Indian Accouting 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.

b) Functional currency and presentation currency

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

c) Use of estimates

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

Revenue recognition

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

Taxes

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

Business Combination

In accounting for business combinations, judgment 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 judgment. These measurements are based

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, 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 receivable

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

Useful life of Property, Plant and Equipment

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

Impairment of Non-financial assets

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

Provisions and Contingent Liabilities

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

d) Business combinations

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

As part of its transition to Ind AS, the Company has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, to only those business combinations that occurred on or after 1 April 2014. In accordance with Ind AS 103, the Company accounts for these business combinations using the acquisition method when control is transferred to the Company. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

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

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

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

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

Common control business combinations on or after 1 April 2015

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

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)* *(Currency : INR in millions)*

Business combinations prior to 1 April 2015

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

e) Current–non-current classification

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

Assets

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

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

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

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

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

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

All other assets are classified as non-current.

Liabilities

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

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

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

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

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

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

All other liabilities are classified as non-current.

Operating cycle

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

f) Property, plant and equipment

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

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

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

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

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

g) Capital work in Progress:

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

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

h) Depreciation on property, plant and equipment

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

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

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 primary lease period
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 values the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

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

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

i) Intangible assets

(i) Goodwill

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

(ii) Acquired intangible assets

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

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

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

j) Leases

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)* *(Currency : INR in millions)*

for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

Payments made under operating leases are generally recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

k) Impairment of Property, plant and equipment

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

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill is allocated to CGUs only when the allocation can be done on a reasonable and consistent basis. If this requirement is not met for a specific CGU under review, the smallest CGU to which the carrying amount of goodwill can be allocated on a reasonable and consistent basis is identified and the impairment testing carried out at that level.

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

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

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

l) Investments

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

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

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

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

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

m) Revenue recognition

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

(i) Time and material contracts

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

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

(ii) Fixed price contracts

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

(iii) Unbilled revenue and Billing in advance

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

(iv) Others

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

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

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

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

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 Company's right to receive payment is established. Interest income or expense is recognised using the effective interest method.

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

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

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

n) Foreign currency transactions and balances

i) Initial recognition

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

ii) Translation

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

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

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

iii) Translation of foreign operations

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

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

o) Employee benefits

i) Short-term employee benefits

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

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

ii) Post-employment benefits

(i) Defined contribution plan

Provident fund

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

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

(ii) Defined benefit plan

Provident fund

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

Gratuity

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

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

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

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)* *(Currency : INR in millions)*

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.

Compensated absences

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

p) Employee stock compensation

Employees of erstwhile IGATE Global Solutions Limited

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

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

During the previous year, on vesting of the 2012 and 2013 plans, Capgemini SE recharged the Company the cost of acquiring such shares for settlement to the employees for the aforementioned years. The Company had recognised stock based awards' compensation expenses as a liability payable to Capgemini SE. For this purpose, the unvested shares were valued at Capgemin SE's share price as at 31 March 2017.

During the current year, the Company changed the policy of recognising the compensation cost for these ESOP plans using equity method instead of the liability method that was used until the previous year. As a consequence of this change, the entire unpaid liability payable to the ultimate holding company as at 31 March 2017 has been considered as no longer payable and has been adjusted agaist the cumulative compensation cost recognised using the grant date fair value for these awards for the years ended 31 March 2015 - 31 March 2018.

Such stock based awards' compensation expenses is recognised in "Employee benefits expense" in the Statement of Profit and Loss on a straight-line basis over the vesting period, with a corresponding adjustment to 'Employees Stock Option Reserve' included in SOCIE.

q) Income taxes

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

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

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

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

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)* *(Currency : INR in millions)*

- 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.

r) Earnings per share

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

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

s) Provisions

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

Onerous Contracts

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

t) Contingent liabilities

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

u) Cash flow statement

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

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)* *(Currency : INR in millions)*

v) **Financial instruments**

i) **Recognition and initial measurement**

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

ii) **Classification and subsequent measurement**

Financial assets

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

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

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

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

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)* *(Currency : INR in millions)*

iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv) Offsetting

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

v) Derivative instruments and hedge accounting

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

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

Cash Flow Hedges

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

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

w) Impairment

i) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

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

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.

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Measurement of expected credit losses

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

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

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

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

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the 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 Company 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 Company's of CGUs that are expected to benefit from the synergies of the combination.

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

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

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

Recent accounting developments

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On 28 March 2018, the Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in foreign currency.

This amendment will come into force effective 1 April 2018. The Company is in the process of evaluating the impact on account of the same.

Ind AS 115, Revenue from Contract with Customers

On 28 March 2018, the MCA notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach – under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting policies, Changes in Accounting, Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (cumulative catch up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018. The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 115 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present and the Company is the process of quantification. The Company has elected to adopt the full retrospective method with restatement of 2018 comparative figures and recognition of the cumulated effect in equity at 1 April 2017.

The following main impacts were identified:

- "Principal" versus "agent":

As part of its operational activities, the Company can be required to resell hardware, software and services purchased from third-party suppliers to its customers. Ind AS 15 amends the principles and indicators determining whether the Company should present these transactions in the Statement of Profit and Loss as a "principal", on a gross basis (with recognition of purchases in operating expenses) or as an "agent", on a net basis (recognition of revenues equal to amounts invoiced to the customer net of amounts invoiced by the supplier). Pursuant to Ind AS 15, the Company considers it acts as a "principal" when it obtains control of the hardware, software or services before transferring them to the customer. Based on analyses, the Company expects more transactions will be presented on a net basis.

- Measuring the progress of fixed-price services

  Fixed-price systems integration and solution development services will continue to be recognized based on expenditure incurred.

- Costs of obtaining contracts

  Going forward, the Company will be required to capitalise commission and bonuses paid to obtain multi-year contracts. This change should not have a material impact.

- Reimbursements received from customers

  Reimbursements received from customers shall no longer be recognized as a deduction from costs incurred but as revenues unless the Company is acting as an "agent". This change will not have any impact as the Company follows this practice at present.

Notes to the financial statements as at 31 March 2018 *(Contd.)*

(Currency : INR in millions)

3 Property, plant and equipment

	Freehold land (refer note b)	Leasehold land (refer note b)	Buildings (refer note b)	Computers	Office equipment	Furniture and fixtures	Leasehold improvements	Vehicles (refer note a)	Total
Gross Block									
Balance as at 1 April 2016	269	1,387	12,747	9,666	7,983	6,121	4,039	164	42,376
Additions pursuant to merger of Capgemini Solutions Private Limited (refer note 33)	-	-	-	395	275	42	81	171	964
Additions	-	9	744	1,463	727	120	226	36	3,325
Disposals	-	-	-	(897)	(262)	(129)	(169)	(83)	(1,540)
At 31 March 2017	269	1,396	13,491	10,627	8,723	6,154	4,177	288	45,125
Additions	-	210	213	1,412	563	160	178	-	2,736
Disposals	-	-	(2)	(939)	(143)	(67)	(91)	(82)	(1,324)
At 31 March 2018	**269**	**1,606**	**13,702**	**11,100**	**9,143**	**6,247**	**4,264**	**206**	**46,537**
Accumulated Depreciation									
Balance as at 1 April 2016	-	(117)	(2,074)	(7,172)	(4,906)	(3,990)	(2,332)	(85)	(20,676)
Additions pursuant to merger of Capgemini Solutions Private Limited (refer note 33)	-	-	-	(227)	(143)	(19)	(30)	(90)	(509)
Charge for the year	-	(15)	(345)	(1,571)	(1,046)	(319)	(555)	(42)	(3,893)
Disposals	-	-	-	823	223	103	116	74	1,339
At 31 March 2017	-	(132)	(2,419)	(8,147)	(5,872)	(4,225)	(2,801)	(143)	(23,739)
Charge for the year	-	(14)	(411)	(1,592)	(1,136)	(373)	(523)	(54)	(4,103)
Disposals	-	-	-	865	126	57	75	63	1,185
At 31 March 2018	**-**	**(146)**	**(2,831)**	**(8,874)**	**(6,882)**	**(4,541)**	**(3,249)**	**(134)**	**(26,657)**
Net block									
At 31 March 2017	269	1,264	11,072	2,480	2,851	1,929	1,376	145	21,386
At 31 March 2018	**269**	**1,460**	**10,871**	**2,226**	**2,261**	**1,706**	**1,015**	**72**	**19,881**

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

	Vehicles	
	As at 31 March 2018	As at 31 March 2017
Gross block		
Opening balance	**124**	115
Additions	**-**	36
Disposals	**(45)**	(27)
Closing balance	**79**	124
Accumulated Depreciation		
Opening balance	**(54)**	(48)
Charge for the year	**(23)**	(26)
Disposals	**32**	20
Closing balance	**(45)**	(54)
Net block	**34**	70

b) Freehold land, leasehold land and buildings of gross block Rs. 2,912 and accumulated depreciation amounting to Rs. 867 is pending registration in the name of Capgemini Technology Services India Limited pursuant to merger between Capgemini India Private Limited and the Company.

Notes to the financial statements as at 31 March 2018 *(Contd.)*

(Currency : INR in millions)

4 Capital work-in-progress

At 1 April 2016	993
Additions	5,566
Capitalization	(3,607)
At 31 March 2017	2,952
Additions	7,142
Capitalization	(2,914)
At 31 March 2018	**7,180**

5 Intangible assets

	Goodwill	Computer software	Total
Gross block			
Balance as at 1 April 2016	106	2,643	2,749
Additions	-	282	282
Disposals	-	(119)	(119)
At 31 March 2017	106	2,806	2,912
Additions	-	178	178
Disposals	-	-	-
At 31 March 2018	**106**	**2,984**	**3,090**
Amortisation			
Balance as at 1 April 2016	(106)	(2,211)	(2,317)
Charge for the year	-	(283)	(283)
Disposals	-	115	115
At 31 March 2017	(106)	(2,379)	(2,485)
Charge for the year	-	(278)	(278)
Disposals	-	-	-
At 31 March 2018	**(106)**	**(2,657)**	**(2,763)**
Net block			
At 31 March 2017	-	427	427
At 31 March 2018	**-**	**327**	**327**

6 Investments

		31 March 2018	31 March 2017
	Non-current		
	Investment carried at cost		
	Unquoted equity instruments		
	Investment in shares of bank		
a)	The Saraswat Co-operative Bank Limited *	**-**	-
	1,530 (31 March 2017: 1,530) shares of Rs.10 each fully paid up		
b)	The Kapol Co-operative Bank Limited*	**-**	-
	10 (31 March 2017: 10) shares of Rs.10 each fully paid up		
	Investment in equity of subsidiaries		
a)	IGATE Infrastructure Management Services Ltd	**24**	24
	[2,857,877 equity shares of Rs. 10 each fully paid-up (31 March 2017 - 2,857,877)]		
b)	IGATE Singapore Pte Ltd (refer note (i))	**-**	342
	Nil equity shares of 1 SGD each fully paid (31 March 2017 - 10,125,237)]		
c)	Tcube Software Solutions Private Limited (refer note (ii))	**519**	-
	[24,998 equity shares of Rs. 10 each fully paid-up (31 March 2017 - Nil)]		
		543	366

* the amount is below the rounding off limit in million

Notes to the financial statements as at 31 March 2018 *(Contd.)*

(Currency : INR in millions)

(i) During the year, the Company has sold its investment in IGATE Singapore Pte Ltd to Capgemini Singapore Pte Ltd on 12 March 2018. The Company has received consideration of Rs. 606 and recognised profit on sale of Rs. 264 (refer note 26)

(ii) During the year, the Company has acquired 24,998 shares in Tcube Software Solutions Private Limited at Rs. 20,776.92 per share on 25 October 2017.

		31 March 2018	31 March 2017
7	**Loans**		
	Non-current		
	Unsecured, considered good		
	Loans to related parties (refer note 36 and note 47) *	**71**	83
	*loan to company where director is interested		
8	**Other financial assets**		
	Non-current		
	Unsecured, considered good		
	Security deposits	**1,357**	1,419
9	**Deferred tax assets (net)**		
	Deferred tax liabilities		
	Cash flow hedges	**3**	81
		3	81
	Deferred tax assets		
	Property, plant and equipment and intangible assets	**7,165**	8,804
	Provisions - employee benefits	**1,552**	2,036
	Provision for doubtful trade receivables	**269**	369
	Merger expenses	**194**	232
	MAT credit carried forward	**6,404**	4,612
	Others	**(168)**	174
		15,416	16,227
	Net deferred tax asset (refer note 32)	**15,413**	16,146
10	**Other non-current assets**		
	Capital advances	**799**	1,238
	Prepaid expenses	**409**	544
	Prepayment of pension liability	**19**	12
	Balances with statutory/government authorities (VAT/ Cenvat / Service tax credit receivable)	**1,339**	929
		2,566	2,723
11	**Investments**		
	Current		
	Investment carried at fair value through profit and loss Mutual Funds (quoted)		
	731,931 (31 March 2017 - 474,698) units in Axis Liquid fund direct plan growth	**1,411**	856
	463,595 (31 March 2017 - 208,752) units in Reliance Money Manager Fund- Direct Growth Plan	**1,131**	475
	Nil (31 March 2017 - 11,490,191) units in Reliance Banking & PSU Debt Fund Direct Growth Plan	**-**	136
	950,898 (31 March 2017 - 566,801) units in Reliance Liquidity Fund Treasury Plan Direct Growth Plan Growth Option	**4,032**	2,249
	1,186,589 (31 March 2017 - 503,999) units in Religare Invesco Liquid Fund - Growth Direct Plan	**2,838**	1,128
	Nil (31 March 2017- 227,757) units in Religare Invesco Credit Opportunities Fund-Direct Plan -Growth	**-**	427
	32,624,143 (31 March 2017 - 10,089,563) units in DSP Black Rock Ultra Short Term Fund Direct Plan Growth	**416**	120
	896,192 (31 March 2017 - 590,937) units in DSP Black Rock Liquidity Fund- Direct Plan Growth	**2,227**	1,374

Notes to the financial statements as at 31 March 2018 *(Contd.)*

(Currency : INR in millions)

	31 March 2018	31 March 2017
543,175 (31 March 2017 - 173,603) units in HDFC Liquid Fund Direct Plan Growth Option	**1,860**	557
1,494,751 (31 March 2017 - 686,941) units in IDFC Cash Fund -Regular Plan-Growth Direct Plan	**3,155**	1,357
Nil (31 March 2017 - 1,718,915) units in IDFC Super Saver Income Fund Medium Term Plan Growth Direct Plan	**-**	49
27,604,310 (31 March 2017 - 8,594,983) units in IDFC Ultra Short Term Fund Growth - Direct Plan	**684**	199
4,668,982 (31 March 2017 - 2,242,497) units in ICICI Prudential Flexible Income - Direct Plan - Growth	**1,564**	701
Nil (31 March 2017 - 27,293,101) units in ICICI Prudential Ultra Short Term Fund - Direct Plan -Growth	**-**	467
8,951,457 (31 March 2017 - 7,805,691) units in ICICI Prudential Liquid - Regular Plan - Growth Direct Plan	**2,302**	1,879
4,400,892 (31 March 2017 - 2,507,630) units in Aditya Birla Sun Life Savings Fund-Growth - Direct plan	**1,514**	802
10,093,745 (31 March 2017 - 3,466,648) units in Aditya Birla Sun Life Cash Plus - Growth Direct Plan	**2,819**	906
620,961 (31 March 2017 - 481,604) units in Tata Money Market Fund Direct Plan Growth	**1,700**	1,234
131,515 (31 March 2017 - 131,515) units in Kotak Low Duration Fund Direct Growth	**288**	267
636,562 (31 March 2017 - 697,237) units in Kotak Floater Short Term-(Growth) Direct Plan	**1,815**	1,862
8,593,493 (31 March 2017 - 5,608,610) units in DHFL Pramerica Insta Cash Plus Fund -Direct Plan Growth	**1,940**	1,186
61,414,791 (31 March 2017 - 32,154,068) units in Kotak Treasury Advantage Fund Direct Plan Growth	**1,734**	849
Nil (31 March 2017 - 2,092,639) units in Aditya Birla Sun Life Floating Rate Fund-Long Term -Growth Direct Plan	**-**	420
19,209,450 (31 March 2017 - 18,295,240) units in HDFC Floating Rate Income Fund - Short Term Plan Direct Plan Wholesale Option - Growth Option	**584**	519
619,140 (31 March 2017 - 273,285) units in DSP BlackRock Money Manager Fund - Direct Plan Growth	**1,479**	610
482,387 (31 March 2017 - 72,032) units in Axis Treasury Advantage Fund - Direct Growth	**956**	133
40,007,873 (31 March 2017 - Nil) units in DHFL Pramerica Insta Cash Plus Fund -Direct Plan Growth	**853**	-
21,702,881 (31 March 2017 - Nil) units in IDFC-Money Manager Fund- Treasury Plan Growth [Direct Plan]	**606**	-
11,552,036 (31 March 2017 - Nil) units in Aditya Birla Sun Life Banking & PSU Debt Fund Growth Direct Plan	**606**	-
375,842 (31 March 2017 - Nil) units in HDFC Cash Management Fund - Savings Plan- Direct Plan Growth Option	**1,008**	-
Nil (31 March 2017 -3,428) units in Reliance Liquid Fund- Direct Growth Plan Growth Option	**-**	8
Nil (31 March 2017 - 10,000,000) units in ICICI Prudential FMP Series 74 - 370 Days Plan X RP Cum	**-**	125
Nil (31 March 2017 - 299,810) units in ICICI Prudential Liquid Plan - Direct - Growth	**-**	72
175 (31 March 2017 - Nil) units in Religare Invesco Liquid Fund - Direct Plan Growth	**1**	-
40,880 (31 March 2017 - 33,325) Units in Reliance Liquid Fund - Treasury Plan - Direct Growth Plan - Growth Option	**173**	133
166,172 (31 March 2017 - 30,274) units in UTI Treasury Advantage Fund - Institutional Plan - Growth	**473**	68
1,396,574 (31 March 2017 - Nil) in ICICI Prudential - Treasury Plan - Direct Growth Plan - Growth Option	**359**	-
	40,528	21,168

Notes to the financial statements as at 31 March 2018 *(Contd.)*

(Currency : INR in millions)

		31 March 2018	31 March 2017
12	**Trade receivables (unsecured)**		
	Trade receivables consists of the following		
	- Considered good	**16,596**	17,410
	- Considered doubtful	**775**	1,098
	Less: Allowance for doubtful receivables	**775**	1,098
		16,596	17,410

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

		31 March 2018	31 March 2017
	Trade receivables includes :		
	Dues from related party (refer note 36)	**13,170**	14,357
	Other Receivables	**3,426**	3,053
13	**Cash and cash equivalents**		
	Balance with banks :		
	In current accounts	**598**	1,156
	In EEFC accounts	**60**	339
	In deposits accounts	**1,792**	6,898
	Cheques in hand	**6**	-
	Cash on hand*	**-**	-
	Remittances in transit	**34**	5
	In unpaid dividend accounts	**-**	2
		2,490	8,400

* the amount is below the rounding off limit in million

Deposit accounts include restricted bank balances Rs. 1 held as margin money deposit against guarantee.

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

		31 March 2018	31 March 2017
14	**Loans**		
	Current		
	Unsecured, considered good		
	Loans to related parties (refer note 36 and note 47) *	**26**	7
	*includes loan to company where director is interested		
15	**Other financial assets**		
	Current		
	Unsecured, considered good		
	Income tax refund receivable*	-	1,116
	Derivative asset	**7**	237
	Security deposits	**665**	401
	Loans and advances to employees	**295**	278
	Unbilled revenues	**7,105**	5,955
	Interest accrued on mutual funds and fixed deposit	**6**	228
	Advances recoverable in cash or in kind or for value to be received	**1**	5
	Others	**173**	-
	Unsecured, considered doubtful		
	Security deposits	**31**	24
	- Less: Provision for doubtful deposits	**(31)**	(16)
		8,252	8,228

*During the previous year, for assessment years 2005-06 to 2009-10, the Assessing Office had issued an order giving effect to the ITAT's directives. The total amount of refund as per order dated 10 March 2017 is Rs. 2,122 out of which Rs. 1,116 had been received in cash by the Company on 18 April 2017 and balance was adjusted against demands for various assessment years.

Notes to the financial statements as at 31 March 2018 *(Contd.)*

(Currency : INR in millions)

		31 March 2018	31 March 2017
16	**Other current assets**		
	Prepaid expenses	**891**	935
	Balances with Government Authorities (GST / Service tax credit receivable)	**964**	483
	Advance to vendors	**385**	189
	Other assets	**-**	167
		2,240	1,774
17	**Share capital**		
	Authorised:		
	249,950,000 (31 March 2017 - 243,950,000) equity shares of Rs. 10 each	**2,500**	2,440
	10,800,000 (31 March 2017 - 10,800,000) compulsorily convertible preference shares ('CCPS') of Rs. 10 each	**108**	108
	14,000,000 (31 March 2017 - Nil) 5% 10 year redeemable non-cumulative preference shares of Rs. 10 each	**140**	-
	Issued, subscribed and fully paid up:		
	59,139,500 (31 March 2017 - 59,139,500) equity shares of Rs. 10 each	**591**	591

The authorised equity share capital of the Company has been increased to 249,950,000 equity shares of Rs. 10 each pursuant to amalgamation of Capgemini Solutions Private Limited vide order of National Company Law Tribunal, Mumbai bench dated 24 January 2018.

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

	31 March 2018		31 March 2017	
	Number of shares	**Amount**	Number of shares	Amount
Balance as at the beginning of the year	**59,139,500**	**591**	27,128,234	271
Add: Issued during the year	**-**	**-**	32,011,266	320
Balance as at the end of the year	**59,139,500**	**591**	59,139,500	591

b. **Right, preferences and restrictions attached to equity shares**

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

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

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

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

	31 March 2018		31 March 2017	
	Number of shares	**Amount**	Number of shares	Amount
Equity shares of Rs. 10 each, fully paid-up, held by				
Capgemini SE, ultimate holding company	**7,090,662**	**71**	7,090,662	71
Capgemini America Inc., subsidiary of Capgemini North America Inc.	**25,487,362**	**255**	25,487,362	255
PAN-Asia Solutions, Mauritius, subsidiary of Capgemini America Inc.	**13,659,959**	**137**	13,659,959	137
Capgemini North America Inc. subsidiary of ultimate holding company	**12,764,378**	**128**	12,764,378	128
Balance as at the end of the year	**59,002,361**	**591**	59,002,361	591

Notes to the financial statements as at 31 March 2018 *(Contd.)*

(Currency : INR in millions)

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

	31 March 2018		31 March 2017	
	Number of shares	**% of total shares in the class**	Number of shares	% of total shares in the class
Equity shares of Rs. 10 each, fully paid-up, held by				
Capgemini SE, ultimate holding company	**7,090,662**	**11.99%**	7,090,662	11.99%
Capgemini America Inc., subsidiary of Capgemini North America Inc.	**25,487,362**	**43.10%**	25,487,362	43.10%
PAN-Asia Solutions, Mauritius, subsidiary of Capgemini America Inc.	**13,659,959**	**23.10%**	13,659,959	23.10%
Capgemini North America Inc. subsidiary of ultimate holding 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:

	31 March 2018 Number of shares	31 March 2017 Number of shares
Equity shares of Rs. 10 each bought back by the Company (see note below)	2,871,871	2,871,871
Equity shares of Rs. 10 each issued during the year pursuant to the scheme of amalgamation of IGATE Computer Systems Limited with the Company.	16,668,969	16,668,969
Equity shares of Rs. 10 each issued as consideration towards amalgamation of IGATE Information Services Private Limited	566,758	566,758

Note:

Buyback

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

Merger of IGATE Computer Systems Limited

During the year ended 31 March 2013 erstwhile IGATE Computer Systems Limited has been merged with the Company pursuant to which 16,668,969 equity shares of Rs.10 each of the Company were allotted to the shareholders of IGATE Computer Systems Limited in the ratio of 5 shares for 22 shares held in the amalgamating company as complete settlement of the purchase consideration.

Merger of IGATE Information Services Private Limited with the Company

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

	31 March 2018	31 March 2017
18 Other non-current financial liabilities		
Long term maturities of finance lease obligations (refer note (i))	**22**	49
Amounts payable under employees stock option plan	**14**	909
	36	958

Notes:

(i) Current maturities of long-term borrowings have been disclosed under 'Other current financial liabilities' (refer note 22).

Lease obligations relate to vehicles purchased under a financing arrangement. The loans are secured by vehicles acquired under such lease arrangements and are repayable in monthly installments over a period of three to five years along with interest ranging from 12.5% to 13.5% p.a. (31 March 2017: 9.75% to 16% p.a.) (refer note 37(a)).

Notes to the financial statements as at 31 March 2018 *(Contd.)*

(Currency : INR in millions)

		31 March 2018	31 March 2017
19	**Provisions**		
	Non-current		
	Provision for employee benefits		
	Gratuity (refer note 34(a))	**939**	1,546
	Compensated absences (refer note 34(d))	**2,599**	2,559
	Other provision		
	Provision for contingencies (refer note (a))	**396**	109
		3,934	4,214
(a)	**Movement in provision for contingencies**		
	Balance as at the beginning of the year	**272**	398
	Additions	**124**	(126)
	Balance as at the end of the year	**396**	272
	Current (refer note 24)	**-**	163
	Non Current	**396**	109
		396	272

Provision for contingencies as at balance sheet date is on account of certain service tax related matters on input services amounting to Rs. 396 (31 March 2017 - Rs. 272) including current portion of Rs. Nil (31 March 2017 - Rs. 163).The provision is based on best estimate of the liability, as estimated by the Management and cash outflow if any, will depend on the ultimate outcome of the respective litigation.

		31 March 2018	31 March 2017
20	**Other non-current liabilities**		
	Lease equalization rent	**457**	500
	Advance from customers	**-**	18
		457	518
21	**Trade and other payables**		
	Due to micro and small enterprises (refer note 43)	**12**	10
	Due to other than micro and small enterprises	**6,830**	6,374
		6,842	6,384
22	**Other financial liabilities**		
	Current		
	Current maturities of finance lease obligations (refer note 37(a))	**16**	25
	Capital creditors and other payables	**1,518**	1,918
	Unpaid dividends	**-**	2
	Interest accrued under MSMED Act, 2006 (refer note 43)	**32**	24
	Payable for retention money	**240**	19
	Amounts payable under employees stock option plan	**164**	257
	Bonus and incentives	**1,874**	1,801
	Employee benefits payable	**734**	1,028
		4,578	5,074

Notes to the financial statements as at 31 March 2018 *(Contd.)*

(Currency : INR in millions)

		31 March 2018	31 March 2017
23	**Other current liabilities**		
	Unearned revenue	**1,748**	1,127
	Advance from customers	**49**	52
	Lease equalization rent	**49**	99
	Book overdraft	**78**	149
	Statutory dues payables*	**3,120**	2,355
		5,044	3,782
	There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
	*Statutory dues payable comprises of -		
	Value Added Tax payable	**-**	9
	Goods and Services Tax payable	**480**	-
	Tax Deducted at Source payable	**2,147**	1,834
	Provident Fund payable	**441**	463
	Profession Tax payable	**27**	20
	Employees State Insurance payable	**25**	20
	Others	**-**	9
		3,120	2,355
24	**Provisions**		
	Current		
	Provision for employee benefits		
	Compensated absences (refer note 34(d))	**1,278**	1,207
	Other provision		
	For provision for contingencies (refer note 19(a))	**-**	163
		1,278	1,370

Notes to the financial statements for the year ended 31 March 2018

(Currency : INR in millions)

		31 March 2018	31 March 2017
25	**Revenue from operations**		
A.	Revenue from software operations	**128,174**	119,192
B.	Other operating revenue - Export benefits and other incentives	**85**	167
		128,259	119,359

Revenue from software services includes Rs. 7,026 (previous year Rs. 5,257) towards out of pocket expenses reimbursed by the customers.

		31 March 2018	31 March 2017
26	**Other income, net**		
	Interest on deposits with banks	**168**	901
	Other interest (including interest on income tax refunds)	**23**	474
	Profit on sale of non-current investments (refer note 6)	**264**	182
	Profit on sale of branches (refer note 42)	**-**	3,127
	Income on mutual funds	**2,342**	685
	Net gain on foreign currency transactions	**525**	131
	Provisions no longer required written back	**11**	-
	Provision for doubtful trade receivables written back	**323**	4
	Provision for contingencies written back	**-**	125
	Impairment loss of investments written back	**-**	211
	Profit on sale / disposal of assets (net)	**86**	36
	Other non-operating income	**154**	186
		3,896	6,062
27	**Employee benefits expense**		
	Salaries, bonus and incentives	**77,171**	70,882
	Contribution to provident and other funds	**3,267**	3,125
	Retirement benefits expense	**1,089**	976
	Compensated absences	**677**	979
	Employee stock compensation expense (refer note 44)	**310**	588
	Staff welfare expenses	**889**	743
		83,403	77,293
28	**Finance costs**		
	Interest on borrowings	**28**	26
	Interest under MSMED Act, 2006	**7**	2
	Interest on Income Tax	**67**	253
		102	281
29	**Depreciation and amortisation expenses**		
	Depreciation of property, plant and equipment	**4,103**	3,893
	Amortisation of intangible assets	**278**	283
		4,381	4,176
30	**Other expenses**		
	Sub-contracting expenses	**1,626**	2,707
	Repairs and maintenance:		
	- Buildings	**632**	481
	- Computer and network maintenance	**2,155**	1,432
	- Office maintenance	**1,310**	1,141
	- Others	**120**	190
	Rent	**3,446**	3,043

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

		31 March 2018	31 March 2017
	Rates and taxes	**140**	139
	Insurance	**43**	40
	Power and fuel	**1,377**	1,402
	Advertisement and sales promotion	**35**	64
	Communication	**385**	563
	Travelling and conveyance	**8,233**	7,179
	Legal and professional charges	**697**	593
	Bank charges	**27**	21
	Auditors' remuneration (refer note 41)	**24**	29
	Merger and reorganization expenses	**56**	57
	Donations	**-**	1
	Expenditure towards corporate social responsibility initiatives (refer note 45)	**161**	137
	Provision for doubtful trade receivables	**-**	601
	Software and hardware expenses	**484**	589
	Stationery and printing expenses	**102**	95
	Bad trade receivables written off	**319**	29
	Provision for contingencies	**124**	-
	Group management fee	**793**	885
	Training and recruitment	**1,748**	1,420
	Directors sitting fees	**1**	1
	Miscellaneous expenses	**639**	393
		24,677	23,232
31	**Statement of other comprehensive income**		
(i)	Items that will not be reclassified subsequently to statement of profit or loss		
	Remeasurement gain on defined benefit plans	**1,108**	113
(ii)	Income tax relating to items that will not be reclassified subsequently to statement of profit or loss	**(393)**	(40)
(i)	Items that will be reclassified subsequently to statement of profit or loss		
	Effective portion of gains / (loss) on hedging instruments accounted for as cash flow hedges	**(229)**	174
	Exchange differences on translation of foreign operations	**(29)**	(78)
(ii)	Income tax relating to items that will be reclassified subsequently to statement of profit or loss	**78**	(60)
32	**Tax expense**		
(a)	**Income tax expense recognised in Statement of Profit and Loss:**		
	1. Current income tax	**4,920**	5,676
	2. Deferred income tax		
	Deferred tax charge / (credit)	**2,293**	2,978
	MAT Credit	**(1,784)**	(2,623)
	MAT Credit written off / (written off in previous year reversed)	**-**	(1,506)
	Effect of change in tax rates	**(91)**	-
		418	(1,151)
	Tax expense for the year	**5,338**	4,525

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

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

	31 March 2018			31 March 2017		
	Before tax	**Tax (expense) benefit**	**Net of tax**	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified subsequently to statement of profit or loss						
Remeasurement gain on defined benefit plans	**1,108**	**(393)**	**715**	113	(40)	73
Items that will be reclassified subsequently to statement of profit or loss						
Effective portion of gains / (loss) on hedging instruments accounted for as cash flow hedges	**(229)**	**78**	**(151)**	174	(60)	114
Exchange differences on translation of foreign operations	**(29)**	-	**(29)**	(78)	-	(78)
	850	**(315)**	**535**	209	(100)	109

(c) Reconciliation of effective tax rate

	31 March 2018	31 March 2017
Profit before tax	**19,592**	20,439
Tax using the Company's domestic tax rate of 34.61% (for both years)	**6,780**	7,074
Tax effect of:		
Tax effect due to income tax holidays	**(1,608)**	(1,279)
Expenses not deductible for tax purposes	**66**	126
Impact of indexation and lower tax rates on sale of branches/subsidiaries	**(83)**	(475)
Income taxes relating to prior years *	**42**	665
Effect of change in tax rates	**(91)**	-
MAT Credit written off in earlier years reversed	**-**	(1,506)
Others	**232**	(80)
Total income tax expense	**5,338**	4,525
Effective Tax Rate	**27%**	22%

*Previous year includes tax on account of change in estimate

Under the Indian Income-tax Act, 1961, 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. Profits derived from the export of software services from these 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 from the date of commencement of operations by the respective SEZ units. The impact of tax holiday units resulted in tax benefit of Rs. 1,608 and Rs. 1,279 for current and previous year respectively. This tax relief holiday will begin to expire from March 2023 through 2031.

(d) Income tax assets and liabilities

	31 March 2018	31 March 2017
Income tax assets (net)*	**5,904**	5,726
Income tax liabilities (net)	**1,782**	2,098

* Includes deposits paid under dispute of Rs. 2,794 (31 March 2017 - Rs. 1,886)

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

(e) Movement in deferred tax balances

	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Acquired in business combinations	Net balance March 31, 2018
Deferred tax liability					
Cash flow hedges	81	-	(78)	-	**3**
Deferred tax asset				-	
Property, plant and equipment and intangible assets	8,804	(1,639)	-	-	**7,165**
Provisions - employee benefits	2,036	(91)	(393)	-	**1,552**
Provision for doubtful trade receivables	369	(100)	-	-	**269**
Merger expenses	232	(38)	-	-	**194**
MAT Credit carried forward	4,612	1,792	-	-	**6,404**
Others	174	(342)	-	-	**(168)**
	16,227	**(418)**	**(393)**	**-**	**15,416**
Deferred tax asset (net)	**16,146**	**(418)**	**(315)**	**-**	**15,413**

	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Acquired in business combinations	Net balance March 31, 2017
Deferred tax liability					
Cash flow hedges	21	-	60	-	81
Deferred tax asset					
Property, plant and equipment and intangible assets	11,550	(2,781)	-	35	8,804
Provisions - employee benefits	2,050	3	(40)	23	2,036
Provision for doubtful trade receivables	228	141	-	-	369
Business losses and unabsorbed depreciation carried forward	306	(306)	-	-	-
Merger expenses	294	(62)	-	-	232
MAT credit carried forward	483	4,129	-	-	4,612
Others	119	27	-	28	174
	15,030	1,151	(40)	86	16,227
Deferred tax asset (net)	15,009	1,151	(100)	86	16,146

The Company offsets tax assets and liabilities if, and only if, it has a legally enforceable right to set off tax liabilities against tax assets. The company has no tax losses which arose in India that are available for offset against future taxable profits.

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

MAT credit

During the year ended 31 March 2016, the Company had impaired MAT credit amounting to Rs. 1,506 based on management's assessment of non-recoverability of the same within the time limit specified as per the provisions of section 115JAA of the Income Tax Act, 1961.

Pursuant to Finance Act 2017, effective 1 April 2017, the time limit for recoverability of MAT credit has been extended from 10 years to 15 years from the date of payment. Basis this revision, the expiry dates of prior years' MAT credit is extended for an additional period of 5 years. Based on this, management is of the view that the Company will be able to utilise those MAT credit of Rs. 1,506 which was impaired in the previous year ended 31 March 2016. Hence, the MAT credit impaired in the year ended 31 March 2016 has been restated during the year ended 31 March 2017.

Based on projections re-evaluated at the year end, Management believes that it would be in a position to utilise entire MAT credit within the time limit of 15 years prescribed under section 115JAA of the Income-tax Act, 1961.

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

33 Amalgamation of wholly owned subsidiary, Capgemini Solutions Private Limited

The Board of Directors, at their meeting dated 23 June 2017, in principle approved the Scheme of Amalgamation ('the Scheme') of Capgemini Solutions Private Limited (CSPL) ('transferor company') with the Company. The Company filed an application with the National Company Law Tribunal, Mumbai (NCLT) to merge CSPL with the Company. NCLT approved the Scheme of Amalgamation on 24 January 2018 effective 1 April 2017 (appointed date).

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

ii) CSPL was engaged in the business of development, designing of software programmes and products, training personnel in connection with the software development programmes, dealing with electric and electromechanical products and rendering technical and associated services.

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

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

Accordingly, the assets, liabilities and reserves of CSPL have been merged with the Company at their carrying values as on 1 December 2016 when the control was acquired by the Company.

- the entire business and undertaking of CSPL including all the assets, liabilities and reserves as a going concern have been 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.
- CSPL 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 stands cancelled and no shares were issued to effect the amalgamation.
- all inter-company balances and transactions have been eliminated.

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

Particulars		
Fixed assets (Net) including capital work-in-progress		455
Non current financial assets		
- Loans		31
- Others		25
Deferred tax assets		86
Other non current assets		136
Current financial assets		
- Investments		277
- Trade receivables		332
- Cash and bank equivalents		543
- Other financial assets		124
Current tax assets		64
Other current assets		133
Total assets acquired on amalgamation	**(A)**	**2,206**
Non-current liabilities		142
Current liabilities and provisions		378
Total liabilities acquired on amalgamation	**(B)**	**520**
Net assets acquired on amalgamation	**(C) = (A-B)**	**1,686**

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

Reserves taken over under Pooling of interest method under Ind AS 103	
Securities Premium Account	38
Capital Redemption Reserve	6
General Reserve	134
Employees Stock Options Outstanding	27
Retained earnings	1,481
Total reserves on amalgamation (C)	**1,686**
Investment in shares of transferor company	1,686
Cancellation of Share capital of transferor company *	-
Capital reserve arising on amalgamation	**1,686**

*amount below rounding off

34 Employee benefit plans

(a) *Gratuity benefits*

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

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

		31 March 2018	31 March 2017
Amount to be recognised in balance sheet			
Present value of defined benefit obligation		**4,614**	4,814
Fair value of plan assets		**(3,675)**	(3,268)
Net Liability		**939**	1,546
Amounts in the Balance Sheet:			
Liabilities			
Current		**-**	-
Non-current		**939**	1,546
Present Value of defined benefit obligation			
Projected benefit obligation at the beginning of the year		**4,814**	3,948
Projected benefit obligation assumed on amalgamation (refer note 33)		**-**	80
Current service cost		**1,000**	881
Past service cost		**9**	-
Interest cost		**299**	285
Benefits paid		**(436)**	(347)
Actuarial (gains) / losses		**(1,072)**	(33)
Projected benefit obligation at the end of the year	**(A)**	**4,614**	4,814
Fair Value of plan asset			
Fair Value of plan assets at beginning of the year		**3,268**	2,578
Fair Value of plan assets assumed on amalgmation (refer note 33)		**-**	82
Contributions by employer		**594**	684
Expected return		**220**	190
Actuarial gains		**29**	81
Benefits paid		**(436)**	(347)
Fair Value of plan assets at end of the year	**(B)**	**3,675**	3,268
	(A-B)	**939**	1,546

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

	31 March 2018	31 March 2017
Included in OCI		
Opening amount recognised in OCI outside Statement of Profit and Loss	**(243)**	(97)
OCI assumed on amalgamation (refer note 33)	-	(32)
Demographic assumptions	**(1)**	0
Financial assumptions	**(576)**	12
Experience adjustment	**(494)**	(46)
Return on plan assets excluding interest income	**(30)**	(80)
	(1,344)	(243)
Expense recognised in Statement of Profit and Loss		
Current service cost	**1,000**	881
Interest cost	**299**	285
Expected return on plan assets	**(220)**	(190)
Past service cost	**9**	-
Total included in "Employee benefits expense" (Refer Note 27)	**1,088**	976
Return on plan assets		
Expected return on plan assets	**220**	190
Actuarial gain	**29**	81
Actual return on plan assets	**249**	271

The Company provides the gratuity benefit through annual contributions to a fund managed by a trust. Under this plan, the settlement obligation remains with the Company, although the trust administers the plan and determines the contribution required to be paid by the Company. The trust has invested the plan assets in the Insurer managed funds. The expected rate of return on plan assets is based on the expectation of the average long term rate of return expected on investments of the funds during the estimated term of the obligation. Expected contributions to the fund post 31 March 2019 is Rs. 750

Category of Assets	**%**	%
Government debt instruments	**3%**	4%
Insurer managed funds	**96%**	95%
Others	**1%**	1%

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

Salary escalation rate	**5%-6%**	6%
Discount rate	**7.55% p.a.**	6.75% p.a
Expected rate of return on plan assets	**7.55% p.a**	6.75% p.a

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

Sensitivity analysis

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

As of March 31, 2018, every 0.5 percentage point increase / (decrease) in discount rate will result in (decrease) / increase of gratuity benefit obligation by approximately Rs. (48) and Rs. 51 respectively.

As of March 31, 2018, every 0.5 percentage point increase/ (decrease) in expected rate of salary will result in increase / (decrease) of gratuity benefit obligation by approximately Rs. 51 and Rs. (49) respectively.

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

Expected benefit payments are as follows:

Year Ending March 31	
2019	**673**
2020	**623**
2021	**609**
2022	**579**
2023	**515**
thereafter	**5,455**

(b) ***Pension benefits***

(i) Prepayment of pension liability

Certain employees who have elected to continue under the defined benefit scheme are entitled to a pension on retirement subject to vesting conditions of 45 years of age and 15 years of service. In the event of earlier cessation of employment a deferred pension is payable from the normal retirement date. Employee who retires from the service of the Company is entitled to a pension at the rate of 2% of pensionable Salary, "PENSAL" (last drawn Basic Salary plus Variable Pay, limited to 20% for eligible managers) for each year of management service, subject to a maximum of 70% of PENSAL. Pension as determined above is payable for a period of 15 years certain and thereafter during the lifetime of the Member. On his/her death in retirement or whilst in service, 66 - 213% of Member's pension is payable to the spouse during her/ his lifetime.

		31 March 2018	31 March 2017
Amount recognised in balance sheet			
Present value of defined benefit obligation		**16**	20
Fair value of plan assets		**(45)**	(38)
Amount not recognised as an asset (limit in para 64b)		**10**	6
Net liability / (asset)		**(19)**	(12)
Amounts in the Balance Sheet:			
Assets			
Current		**-**	-
Non-current		**19**	12
Present Value of Defined Benefit Obligation			
Projected benefit obligation at the beginning of the year		**20**	30
Current Service Cost		**1**	1
Interest cost		**1**	2
Actuarial Losses / (Gains)		**(3)**	-
Benefits paid		**(3)**	(12)
Projected benefit obligation at the end of the year	**(A)**	**16**	20
Fair Value of Plan Assets			
Fair Value of plan assets at beginning of the year		**38**	45
Expected return		**2**	3
Actuarial Gains		**7**	1
Contributions by the Company		**-**	1
Benefits paid		**(3)**	(12)
Fair Value of plan assets at end of the year	**(B)**	**45**	38
Amount not recognised as an asset (limit in para 64b)	**(C)**	**10**	6
	(A-B+C)	**(19)**	(12)
Opening value of asset ceiling		**6**	5
Interest on opening balance of asset ceiling		**1**	1
Remeasurements due to:			
Change in surplus/ deficit		**3**	-
Closing value of asset ceiling		**10**	6

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

Included in OCI		
Opening amount recognised in OCI outside Statement of Profit and Loss	**(2)**	(1)
Remeasurement loss (gain):		
Adjustments to recognise the effect of asset ceiling	**3**	-
Financial assumptions	**(1)**	1
Experience adjustment	**(3)**	(1)
Return on plan assets excluding interest income	**(7)**	(1)
	(10)	(2)
Expense recognised in Statement of Profit and Loss		
Current Service Cost	**1**	1
Interest cost	**1**	2
Expected return on plan assets	**(2)**	(3)
Total included in "Employee benefits expense" (Refer Note 27)	**-**	-
Return on plan assets		
Expected return on plan assets	**2**	3
Actuarial gain	**7**	1
Actual return on plan assets	**10**	4
Category of Assets	**%**	%
Insurer Managed Funds	**100%**	100%
The principal assumptions used in determining pension are shown below:		
Discount rate (p.a)	**7.55% p.a**	6.75% p.a
Expected rate of return on plan assets	**7.55% p.a**	6.75% p.a
Salary Escalation Rate	**6%**	6%

(i) **Discount Rate:**

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

(ii) **Salary Escalation Rate:**

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

Sensitivity analysis

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

As of March 31, 2018, every 0.5 percentage point increase / (decrease) in discount rate will result in (decrease) / increase of pension obligation by approximately Rs. (0.6) and Rs. 0.6 respectively.

Expected benefit payments are as follows:

Year Ending March 31	
2019	**1**
2020*	**-**
2021*	**-**
2022*	**-**
2023*	**2**
thereafter	**26**

*below rounding off

(c) ***Provident fund***

a) Defined Contribution Plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, which is a defined contribution plan. The Company has no obligation other than to make the specified monthly contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as an expense towards contribution to provident fund for the year aggregated to Rs. 595 (31 March 2017 Rs. 701).

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

b) Defined Benefit Plan -

Pursuant to the amalgamation of Capgemini India Private Limited (CIPL) with the Company, eligible employees of CIPL continue to receive benefits from a provident fund, which is a defined benefit plan and is administered by the Company managed Trust. During the current year, CSPL has been amalgamated with the Company w.e.f 1 December 2016 (refer note 33) and the employees of CSPL are also part of the trust. The Company and its employees contribute each month to a Provident Fund equally at a specified rate of basic salary of each employee. The Company contributed Rs. 2,672 (31 March 2017 Rs. 2,333) towards provident fund during the year out of which Rs. 1,621 (31 March 2017 Rs. 1,467) was contributed to employer managed PF trust and the remaining amount of Rs. 1,051 (31 March 2017 Rs. 866) was paid to the Central Government towards pension, as required by the PF Rules.

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

The interest rate payable by the trust to the beneficiaries is regulated by the statutory authorities. The Company has an obligation to make good the shortfall, if any, between the returns from its investments and the administered rate. The actuary has accordingly carried out a valuation which determined the shortfall towards such interest liability to be nil.

		31 March 2018	31 March 2017
Amount to be recognised in balance sheet			
Present value of defined benefit obligation		**27,297**	22,813
Fair value of plan assets		**(27,297)**	(22,813)
Net Liability		**-**	-
Amounts in the Balance Sheet:			
Liabilities			
Current		**-**	-
Non-current		**-**	-
Included in OCI			
Opening amount recognised in OCI outside Statement of Profit and Loss		**-**	-
Remeasurement loss (gain):		**-**	-
Actuarial loss (gain) arising from:		**-**	-
Demographic assumptions		**-**	-
Financial assumptions		**-**	-
Experience adjustment		**486**	240
Return on plan assets excluding interest income		**(486)**	(240)
Closing amount recognised in OCI outside Statement of Profit and Loss		**-**	-
Present Value of Defined Benefit Obligation			
Projected benefit obligation at the beginning of the year		**22,813**	18,257
Current Service Cost		**1,621**	1,467
Interest cost		**1,608**	1,493
Actuarial Losses / (Gains)		**486**	240
Employees contribution		**2,614**	2,297
Liabilities assumed on acquisition/ (settled on divestiture)		**(632)**	152
Benefits paid		**(1,213)**	(1,093)
Projected benefit obligation at the end of the year	**(A)**	**27,297**	22,813
Fair Value of Plan Assets			
Fair Value of plan assets at beginning of the year		**22,813**	18,257
Expected return		**1,608**	1,493
Actuarial Gains		**486**	240
Employer contribution during the year		**1,621**	1,467
Employee contribution during the year		**2,614**	2,297
Assets acquired on acquisition/ (settled on divestiture)		**(632)**	152
Benefits paid		**(1,213)**	(1,093)
Fair Value of plan assets at end of the year	**(B)**	**27,297**	22,813
Amount recognised in Balance Sheet	**(A-B)**	**-**	-
Expense to be recognised in Statement of Profit and Loss			
Current service cost		**1,621**	1,467
Interest cost		**1,608**	1,493
Expected return on plan assets		**(1,608)**	(1,493)
Total		**1,621**	1,467

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

	31 March 2018	31 March 2017
Return on plan assets		
Expected return on plan assets	**1,608**	1,493
Actuarial gains	**486**	240
Actual return on plan assets	**2,095**	1,733
Category of Assets		
Government of India securities	**35%**	31%
Corporate Bonds	**54%**	60%
Equity shares of Listed companies	**4%**	4%
Others	**7%**	5%
	100%	100%
The principal assumptions used in determining the provident fund are shown below:		
Discount rate	**7.55%**	6.75%
Expected rate of return on plan assets	**8.99%**	8.64%
Discount rate for the remaining term to maturity of investment	**7.73%**	7.27%
Average historic yield on the investment	**9.17%**	9.16%
Guaranteed rate of return	**8.55%**	8.65%

Sensitivity analysis

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

As of March 31, 2018, every 1 percentage point increase / (decrease) in discount rate will result in (decrease) / increase of provident fund obligation by approximately Rs. 233 and Rs. 832 respectively.

(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 -

Current provisions (refer note 24)	**1,278**	1,207
Non-current provisions (refer note 19)	**2,599**	2,559
	3,877	3,766

Actuarial Assumptions

Discount rate	**7.55% p.a.**	6.75% p.a.
Salary escalation rate	**5%-6%**	6%
Attrition rates		
Age (years)		
21-25	**18.33%**	18.5%
26-30	**28.87%**	28.9%
31-35	**20.47%**	20.7%
36-40	**13.67%**	14.0%
41-59	**9.63%**	10.1%

35 Segment reporting

The Company prepares this financial statement 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.

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

36 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

Holding companies

Capgemini SE, the Ultimate Holding Company, holds 7,090,662 equity shares i.e.11.99% of the equity share capital of the Company

Capgemini America Inc., subsidiary of Capgemini North America Inc., holds 25,487,362 equity shares i.e.43.10% of the equity share capital of the Company

PAN-Asia Solutions, Mauritius, subsidairy of Capgemini America Inc., holds 13,659,959 equity shares i.e. 23.10% of the equity share capital of the Company

Capgemini North America Inc, a subsidiary of the ultimate holding company, holds 12,764,378 equity shares i.e. 21.58% of the equity share capital of the Company

Subsidiary Companies

IGATE Infrastructure Management Services Limited

IGATE Global Solutions Mexico, S.A. de C.V. (till 29 August 2016)

IGATE Computer Systems GmbH (till 9 August 2016)

PCS Computer Systems Mexico, S.A. de C.V. (till 3 June 2016)

IGATE Computer Systems (Suzhou) Co Ltd. (till 12 March 2018)

IGATE Singapore Pte Ltd (till 12 March 2018)

TCUBE Software Solutions Pvt.Ltd (w.e.f. 25 October 2017)

Joint Venture

Thesys Technologies LLC (till 6 July 2017)

Other related parties

Key Management Personnel

Srinivasa Rao Kandula - Managing director (w.e.f. 4 May 2017)

Sujit Sircar - Director (till 24 Oct 2017) and Chief Financial Officer (w.e.f. 25 July 2018)

Aruna Jayanthi - Executive director (w.e.f. 4 May 2017)

Ashwin Yardi - Executive director (w.e.f. 4 May 2017)

Ritesh Talapatra - Executive director (w.e.f. 11 Aug 2017)

Mukund Srinath - Company Secretary (till 7 March 2017)

Armin Billimoria - Company Secretary (w.e.f. 7 March 2017)

Michel Ginet - Legal Finance Director (till 31 March 2017)

Nagesh Kumar M – Chief Financial officer (till 4 May 2017)

Karine Marchat - Director (w.e.f. 11 August 2017) and Chief Financial Officer (w.e.f. 4 May 2017 till 25 July 2018)

Employee benefit trusts where control exists

Capgemini India Pvt. Ltd. Employees' Provident Fund

Capgemini Business Services (I) Ltd EPF Trust

Capgemini India Private Limited Employees' Benevolent Fund

Capgemini India Employees Gratuity Fund Trust

Capgemini Business Services (India) Limited Employees Group Gratuity Assurance Scheme

Capgemini Business Services (India) Limited Super Annuation Scheme

IGATE Computer Systems Limited Employees' Gratuity Fund

AXA Technologies Shared Services Private Limited Employees Gratuity Trust

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

Fellow subsidiaries

Backelite SAS

Capgemini (China) Co. Ltd.

Capgemini (Hangzhou) Co Ltd

Capgemini Argentina, S.A.

Capgemini Australia Pty. Ltd.

Capgemini Belgium NV/S.A.

Capgemini BST S.P.A.

Capgemini Business Services (China) Limited

Capgemini Business Services Brasil – Assessoria Empresarial Ltda

Capgemini Business Services Chile Ltda

Capgemini Business Services Guatemala SA

Capgemini Business Services USA LLC

Capgemini Brasil S.A.

Capgemini Canada Inc.

Capgemini Colombia SAS

Capgemini Consulting Österreich AG

Capgemini Consulting S.A.S.

Capgemini Czech Republic s.r.o

Capgemini Deutschland GmbH

Capgemini Deutschland Holding GmbH

Capgemini Educational Services B.V.

Capgemini España S.L.

Capgemini Financial Services International Inc.

Capgemini Financial Services UK Ltd

Capgemini Financial Services UK Ltd - South Africa branch

Capgemini Finland Oy

Capgemini France S.A.S.

Capgemini Gouvieux S.A.S

Capgemini Government Solutions LLC

Capgemini Hong Kong Ltd.

Capgemini Italy SPA

Capgemini Ireland Ltd

Capgemini Japan KK

Capgemini Kunshan Co. Ltd

Capgemini Magyarorszag Kft.

Capgemini Mexico S. de R.L

Capgemini Middle East FZ-LLC

Capgemini Nederland BV

Capgemini Norge A/S

Capgemini Outsourcing Services GmbH

Capgemini Outsourcing Services S.A.S.

Capgemini Philippines SBOS

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

Capgemini Polska Sp. z.o.o
Capgemini Portugal, Serviços de Consultoria e Informatica, S.A.
Capgemini Saudi Limited
Capgemini Schweiz AG, Outsourcing services
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 Dabhi Branch
Capgemini Singapore Pte. Ltd. - Dubai Branch
Capgemini Slovensko s.r.o.
Capgemini Sogeti Danmark A/S
Capgemini Solutions Canada Inc
Capgemini Suisse S.A.
Capgemini Sverige AB
Capgemini Technologies LLC
Capgemini Technology Services
Capgemini UK Plc
Capgemini Vietnam Co. Ltd
CHCSS Services Inc
IGATE Global Solutions USA
IGATE Technologies Canada Inc.,
IGATE Technologies Inc. (till 1 July 2016)
Inergi LP
Itelios SAS
New Horizon System Solutions LP
Prosodie SA
Societe en Commandite Capgemini Quebec Limited Partnership
Sogeti Belgium S.A.
Sogeti Corporate Services S.A.S.
Sogeti Deutschland Gmbh
Sogeti Finland Oy
Sogeti France S.A.S.
Sogeti High Tech S.A.S.
Sogeti Luxembourg S.A.
Sogeti Nederland BV
Sogeti Norge AS
Sogeti Suisse SA
Sogeti Sverige AB
Sogeti UK Ltd
Sogeti USA LLC

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

		31 March 2018	31 March 2017
	Related party transactions		
a)	**Revenues from operations**		
	Capgemini America Inc	**46,680**	17,205
	IGATE Technologies Inc.,	**-**	12,103
	Others	**59,970**	66,061
b)	**Expense incurred by the Company on behalf of**		
	Capgemini Service S.A.S.	**195**	83
	Capgemini America Inc	**12**	16
	Others	**58**	59
c)	**Expenses cross charged**		
	Capgemini Service S.A.S.	**1,173**	1,186
	Capgemini SE	**545**	452
	Capgemini America Inc.	**221**	748
	Capgemini UK Plc	**254**	369
	Others	**700**	772
d)	**Loans given/(repaid) during the year**		
	IGATE Infrastructure Management Services Limited	**7**	(5)
e)	**Investment sold during the year**		
	Capgemini Singapore Pte Ltd (sale of IGATE Singapore Pte Ltd)	**606**	-
	Capgemini America Inc. (sale of IGATE Global Solutions Mexico S.A. de C.V)	**-**	102
	Capgemini Deutschland GmBH (sale of IGATE Computer Systems GmbH)	**-**	655
f)	**Investment disposed during the year**		
	PCS Computer Systems Mexico SA de CV	**-**	94
	Thesys Technologies LLC	**-**	20
g)	**Branches transferred during the year**		
	Capgemini Nederland BV (sale of Netherland branch)	**-**	26
	Capgemini Belgium (sale of Belgium branch)	**-**	10
	Capgemini Sweden (sale of Sweden branch)	**-**	68
	Capgemini Schweiz AG (sale of Switzerland branch)	**-**	2,920
	Capgemini Japan (sale of Japan branch)	**-**	114
	Capgemini Australia (sale of Australia branch)	**-**	782
h)	**Share capital issued during the year**		
	Capgemini America Inc.	**-**	249
	Capgemini SE	**-**	71
i)	**Contribution to employee benefit funds**		
	Capgemini India Employees Gratuity Fund Trust	**543**	654
	Capgemini Business Services (India) Limited Employees Group Gratuity Assurance Scheme	**51**	33
j)	**Remuneration**		
	Managing Director	**21**	-
	Chief Financial Officer	**28**	52
	Directors	**64**	34
	Others	**4**	25
k)	**Employee stock compensation expense**		
	Managing Director	**91**	-
	Chief Financial Officer	**-**	25
	Directors	**59**	108
	Others	**-**	22

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

		31 March 2018	31 March 2017
	Balances outstanding		
a)	**Trade receivables**		
	Capgemini America Inc.,	**4,054**	2,826
	Others	**9,116**	11,531
b)	**Other non current financial assets - loans**		
	IGATE Infrastructure Management Services Limited	**71**	83
c)	**Other financial assets - loans**		
	IGATE Infrastructure Management Services Limited	**26**	7
d)	**Unbilled revenue**		
	Capgmini America Inc	**1,349**	259
	Capgemini Australia Pty Ltd	**354**	248
	Others	**1,928**	1,737
e)	**Other current financial assets**		
	Salary recoverable	**173**	-
f)	**Other current assets**		
	Capgemini India Employees Gratuity Fund Trust	**6**	-
	Capgemini Business Services (India) Limited Employees Group Gratuity Assurance Scheme	**1**	-
g)	**Trade payables**		
	Capgemini SE	**-**	525
	Capgemini North America Inc.	**-**	655
	Capgemini Service S.A.S.	**381**	501
	Capgemini UK Plc	**238**	-
	Capgemini Singapore Pte. Ltd.	**221**	101
	Capgemini America Inc.	**227**	17
	Others	**226**	501
h)	**Amounts payable under employee stock option plan**		
	Capgemini SE	**-**	733
i)	**Unearned Revenue**		
	Capgemini Service SAS	**147**	83
	Capgemini UK Plc	**135**	61
	Capgemini America Inc	**406**	61
	Capgemini Nederland BV	**43**	49
	Others	**292**	222

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

The Company has the following related party transactions for the year ended 31 March 2018 and 31 March 2017

Transactions	Holding company		Subsidiary Companies		Fellow subsidiaries		Joint Venture		Key Management Personnel		Employee benefit funds where control exists	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017
Revenues from operations	**46,817**	17,376	**24**	44	**59,809**	77,949	-	-	-	-	-	-
Expense incurred by the Company on behalf of	**12**	16	-	-	**253**	142	-	-	-	-	-	-
Expenses cross charged	**766**	1,201	**6**	52	**2,121**	2,274	-	-	-	-	-	-
Loans given/(repaid) during the year	-	-	**7**	(5)	-	-	-	-	-	-	-	-
Investment sold during the year	-	102	-	-	**606**	655	-	-	-	-	-	-
Investment disposed during the year	-	-	-	94	-	-	-	20	-	-	-	-
Branches sold during the year	-	-	-	-	-	3,920	-	-	-	-	-	-
Share capital issued during the year	-	320	-	-	-	-	-	-	-	-	-	-
Contribution to employer benefit funds	-	-	-	-	-	-	-	-	-	-	**594**	687
Key managerial personnel												
- Remuneration	-	-	-	-	-	-	-	-	**117**	111	-	-
- Employee stock compensation expense	-	-	-	-	-	-	-	-	**150**	155	-	-

The Company has the following related party balances for the year ended 31 March 2018 and 31 March 2017

Balances outstanding	Holding company		Subsidiary Companies		Fellow subsidiaries		Key Management Personnel		Employee benefit funds where control exists	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017
Trade receivables	**4,064**	2,867	**7**	-	**9,099**	11,490	-	-	-	-
Other financial assets - loans	-	-	**26**	7	-	-	-	-	-	-
Other non current financials assets - loans	-	-	**71**	83	-	-	-	-	-	-
Unbilled revenue	**1,349**	286	-	79	**2,282**	1,879	-	-	-	-
Other current financial assets	-	-	-	-	-	-	**173**	-	-	-
Other current assets	-	-	-	-	-	-	-	-	**7**	-
Trade payables	**227**	1,281	-	4	**1,066**	1,015	-	-	-	-
Amounts payable under employee stock option plan	-	733	-	-	-	-	-	-	-	-
Unearned Revenue	**406**	61	-	-	**617**	415	-	-	-	-

37 Leases

(a) Finance lease: Company as lessee

The Company has acquired motor vehicles under finance leases, for which the future minimum lease payments are as follows:

	31 March 2018	31 March 2017
Total minimum lease payments at the year end	**47**	95
Less: amounts representing finance charges	**9**	21
Present value of minimum lease payments	**38**	74
Minimum lease payments:		
Within one year (present value of Rs 16 (31 March 2017 Rs 25))	**21**	35
After one year but not more than five years (present value of Rs 22 (31 March 2017 Rs 49))	**26**	60
	47	95

(b) Operating lease: Company as lessee

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

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

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

	31 March 2018	31 March 2017
i) Lease payments (including service charges) recognised in the Statement of Profit and Loss	**3,446**	3,043
ii) Total Future minimum lease payments under the non - cancellable operating leases :		
Not later than one year	**2,273**	3,212
Later than one year but not later than five years	**4,367**	6,633
Later than five years	**834**	1,407
	7,474	11,252

38 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

	31 March 2018	31 March 2017
(A) Profit attributable to equity shareholders	**14,254**	15,914
(B) Weighted average number of equity shares in calculating basic EPS (nos.)	**59,139,500**	59,139,500
(C) Weighted average number of equity shares in calculating diluted EPS (nos.)	**59,139,500**	59,139,500
Basic earning per share of face value of Rs.10/- each (A/B)	**241.03**	269.09
Diluted earning per share of face value of Rs.10/- each (A/C)	**241.03**	269.09

39 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

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

Level 1 : Unadjusted quoted prices in active market for identical assets or liabilities
Level 2 : Inputs other than quoted prices that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 : Unobservable inputs for assets and liabilities that are not based on observable market data.

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 2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	2,490	2,490	-	-	-	-
Current investments	40,528	-	-	40,528	40,528	-	-	40,528
Loans	-	-	97	97	-	-	-	-
Trade receivables	-	-	16,596	16,596	-	-	-	-
Other non-current financial asset	-	-	1,357	1,357	-	-	-	-
Other current financial asset	1	6	8,245	8,252	-	7	-	7
	40,529	6	28,785	69,320	40,528	7	-	40,535
Financial liabilities								
Other non current financial liabilities	-	-	36	36	-	-	-	-
Trade and other payables	-	-	6,842	6,842	-	-	-	-
Other current financial liabilities	-	-	4,578	4,578	-	-	-	-
	-	-	11,456	11,456	-	-	-	-

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

31 March 2017	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	8,400	8,400	-	-	-	-
Current investments	21,168	-	-	21,168	21,168	-	-	21,168
Loans	-	-	90	90	-	-	-	-
Trade receivables	-	-	17,410	17,410	-	-	-	-
Other non-current financial asset	-	-	1,419	1,419	-	-	-	-
Other current financial asset	2	235	7,991	8,228	-	237	-	237
	21,170	235	35,310	56,715	21,168	237	-	21,405
Financial liabilities								
Other non current financial liabilities	-	-	958	958	-	-	-	-
Trade and other payables	-	-	6,384	6,384	-	-	-	-
Other current financial liabilities	-	-	5,074	5,074	-	-	-	-
	-	-	12,416	12,416	-	-	-	-

(1) Assets that are not financial assets (such as receivables from statutory authorities, export benefit receivables, prepaid expenses, advances paid and certain other receivables) amounting to Rs. 26,122 and Rs. 26,369 as of 31 March 2018 and 31 March 2017 respectively, are not included.

(2) Other liabilities that are not financial liabilities (such as statutory dues payable, deferred revenue, advances from customers and certain other accruals) amounting to Rs. 12,495 and Rs. 11,982 as of 31 March 2018 and 31 March 2017, respectively, are not included

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

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

During the reporting years ended 31 March 2018 and 31 March 2017, there have been no transfers of financial instruments between Level 1 or Level 2 or Level 3 fair value measurements.

C. Financial risk management

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

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

i. Credit risk

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

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

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)* *(Currency : INR in millions)*

Trade and other receivables

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

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

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. Out of the total trade and other receivables of Rs. 17,371 and Rs. 18,508 as of 31 March 2018 and 31 March 2017 respectively, the Company has receivables which are past due and impaired as detailed below -

	31 March 2018	31 March 2017
Balance at the beginning of the year	**1,098**	501
Impairment loss recognised	**-**	601
Impairment provision written back	**(323)**	(4)
Balance at the end of the year	**775**	1,098

Others

Credit risk of the Company on cash and cash equivalents and investments is subject to low credit risk since the investments of the Company are only in liquid debt securities with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Counter parties to foreign currency forward contracts are typically multinational and domestic banks with appropriate market reputation.

ii. **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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 2018	**Contractual cash flows**		
	Carrying amount	**Within one year**	**One year but not more than five years**
Non current financial liabilities	36	-	36
Current financial liabilities	4,578	4,578	-
Trade and other payables	6,842	6,842	-

31 March 2017	**Contractual cash flows**		
	Carrying amount	**Within one year**	**One year but not more than five years**
Non current financial liabilities	958	-	958
Current financial liabilities	5,074	5,074	-
Trade and other payables	6,384	6,384	-

iii. **Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and market value of its investments. The exposure to market risk is a function of investing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

The currency profile of financial assets and financial liabilities as at 31 March 2018 and 31 March 2017 is as below:

Foreign currency exposures as on 31 March 2018

Particulars	Cash and cash equivalents	Trade receivables	Other non current financial liabilities	Trade Payables	Other financial liabilities*
USD	59	1,296	14	268	164
EUR	1	154	-	480	-
SGD	-	1	-	222	-
JPY	-	167	-	-	-
GBP	-	3	-	279	-
CAD	-	-	-	6	-
AUD	-	9	-	31	-
MYR	-	-	-	-	-
CHF	-	2	-	-	-
SEK	-	-	-	20	-
CNY	-	-	-	2	-
DKK	-	-	-	-	-
MXN	-	-	-	23	-
AED	-	851	-	9	-
PLN	-	-	-	2	-
HKD	-	-	-	9	-
OMR	-	169	-	-	-
HUF	-	-	-	-	-

Foreign currency exposures as on 31 March 2017

Particulars	Cash and cash equivalents	Trade receivables	Other non current financial liabilities	Trade Payables	Other financial liabilities
USD	224	1,459	176	922	257
EUR	36	28	733	438	-
SGD	2	-	-	18	-
JPY	-	83	-	105	-
GBP	61	19	-	166	-
CAD	-	4	-	2	-
AUD	9	64	-	1	-
MYR	-	6	-	3	-
CHF	6	21	-	4	-
SEK	-	-	-	(1)	-
CNY	-	-	-	2	-
DKK	-	-	-	-	-
MXN	-	-	-	5	-
AED	-	-	-	2	-
PLN	-	-	-	3	-
HKD	-	-	-	0	-
OMR	-	132	-	-	-
HUF	-	-	-	1	-

As at 31 March 2018 and 31 March 2017 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. 12 and Rs. 7 respectively.

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

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 periods 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 2018 and 31 March 2017:

Category	31 March 2018		31 March 2017	
	In million	In Rs. million	In million	In Rs. million
Forward contracts				
Hedges of recognized assets and liabilities				
OMR/INR	-	-	0.2	36
USD/INR	11	726	8	520
Hedges of highly probable forecasted transactions				
USD/INR	83	5,518	91	6,044
		6,244		6,600

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 2018	31 March 2017
Forward contracts in USD		
Not later than one month	1,249	1,171
One to 6 months	2,978	2,636
6-12 months	2,017	2,757
	6,244	6,564
Forward contracts in OMR		
Not later than one month	-	-
One to 6 months	-	36
6-12 months	-	-
	-	36
Forward contracts in EUR		

The following table provides the reconciliation of cash flow hedge reserve for the year ended 31 March 2018 and 31 March 2017:

	31 March 2018	31 March 2017
Balance at the beginning of the year	153	39
Acquired in business combinations (refer note 39)	-	-
Gain / (Loss) recognised in other comprehensive income during the year	(21)	275
Amount reclassified to Statement of Profit and Loss during the year	(208)	(101)
Tax impact on above	78	(60)
Balance at the end of the year	2	153

40 Contingent liabilities and commitments

		31 March 2018	31 March 2017
(a)	Capital Commitments		
	Estimated value of contracts on capital account remaining to be executed (net of advances Rs. 799, 31 March 2017 Rs. 1,269)	7,081	5,304
(b)	Contingent liabilities		
	Claims not acknowledged as debt	38	20

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

41 Auditors' remuneration

	31 March 2018	31 March 2017
Statutory audit	**17**	24
Tax audit	**3**	3
Other services	**2**	1
Out of pocket expenses	**2**	1
	24	29

42 Sale of branches

During the previous year, the Company transferred ownership of certain of its branches to its fellow subsidiaries. The total consideration received by the Company is Rs. 3,920 and gain recognised is Rs. 3,127 (refer note 26).

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

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31 March 2018 and 31 March 2017. The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the micro and small enterprises should mention in their correspondence with its customers the entrepreneur's memorandum number as allocated after filing of the memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at 31 March 2018 has been made in the financial statements based on the information received and available with the Company.

	31 March 2018	31 March 2017
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	**12**	10
- Interest	**1**	1
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**179**	151
The amount of interest accrued and remaining unpaid at the end of each accounting year	**32**	24
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	**6**	4

44 Employee stock compensation plans

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

Pursuant to the acquisition of IGATE Corporation by Capgemini SE, the Company's Performance Share Awards were converted into performance units issued by Capgemini SE, the ultimate holding company with effect from 1 July 2015. The other plans of the Company have been converted into cash settled incentives. Although the share based awards are issued and administered by Capgemini SE, the Company is required to settle the obligation to the employee directly in cash. The features of the performance shares plan are set out below:

Particulars	2015 Plan	
	31 March 2018	31 March 2017
Vesting period	**One, two or three years for the market condition and three years for the internal condition**	One, two or three years for the market condition and three years for the internal condition
Vesting schedule *	**25% of the units on 1 July 2016, 1 July 2017 and 1 July 2018 subject to presence and market performance conditions and 25% of the units on 1 July 2019 subject to presence and internal performance conditions**	25% of the units on 1 July 2016, 1 July 2017 and 1 July 2018 subject to presence and market performance conditions and 25% of the units on 1 July 2019 subject to presence and internal performance conditions

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

Total number of units granted as at opening date	**23,086**	37,118
Units vested	**2,539**	5,011
Units forfeited or canceled during the year **	**3,232**	9,021
Total number of units as at closing date	**17,315**	23,086
Fair value on grant date (in Euros)	**56.3**	56.3

* Units vesting in the first three years are subject to a final adjustment clause tied to the change in the Capgemini SE share price between vesting dates and 1 July 2019

** The internal condition was only statisfied 54% at the first vesting date, resulting in the vesting of 2,539 units and cancellation of 3,232 units for the first tranche.

Details of charge and liability for cash incentives and performance plan are set out in table below -

	31 March 2018	31 March 2017
Charge for the year	**8**	148
Liability as at balance sheet date	**179**	434

(ii) Table below sets out the stock option activity of the various ESOP plans under which Capgemini SE granted stock options to the Company's employees. During the current year, the Company changed the policy of recognising the compensation cost for these ESOP plans using equity method instead the liability method that was used until the previous year ended 31 March 2017 (please see discussion below). As a consequence of this change, the entire unpaid liability payable to Capgemini SE of Rs. 514 as at 31 March 2017 has been considered as no longer payable and has been adjusted agaist the cumulative compensation cost recognised using the grant date fair value for these awards for the years ended 31 March 2015 - 31 March 2018.

Particulars	**31 March 2018** **2014 Plan**	**2015 Plan**	**2016 Plan**	**2017 Plan**
Details of the meeting	General Shareholders' meeting (24 May 2013)	General Shareholders' meeting (6 May 2015)	General Shareholders' meeting (18 May 2016)	General Shareholders' meeting (10 May 2017)
Maximum number of shares to be granted	1% of the share capital of the ultimate holding company on the date of Board of Directors' decision i.e. a maximum of 1,590,639 shares	1% of the share capital of the ultimate holding company on the date of Board of Directors' decision i.e. a maximum of 1,721,759 shares	1% of the share capital of the ultimate holding company on the date of Board of Directors' decision i.e. a maximum of 1,721,815 shares	1% of the share capital of the ultimate holding company on the date of Board of Directors' decision i.e. a maximum of 1,691,416 shares
Grant date	30-Jul-14	29-Jul-15	26-Jul-16	5-Oct-17
Performance assessment dates	Three years for the internal performance condition and two years for the external performance condition	Three years for the two performance conditions	Three years for the two performance conditions	Three years for the two performance conditions
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
Mandatory lock-in period effective as from the vesting date	NA	NA	NA	NA
Total numbers of shares granted	82,000	74,950	112,600	136,700
Total number of shares granted taken over pursuant to amalgamation	-	-	-	-
Options vested	-	-	-	-
Options exercised	-	-	-	-
Options forfeited or canceled during the year	8,750	12,150	7,850	5,850
Options unexercised	-	-	-	-
Options lapsed	-	-	-	-
Total number of options as at closing date	73,250	62,800	104,750	130,850
Weighted average remaining contractual life (in years)	0.3	1.3	2.3	3.5
Fair values with performance conditions				
External (Euro)	33.46	74.83	60.97	66.33
Internal (Euro)	48.26	82.18	77.10	93.25
% of external	50%	50%	50%	50%
% of internal	50%	50%	50%	50%
Money realised by exercise of option	NA	NA	NA	NA

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

Particulars	31 March 2018			
	2014 Plan	2015 Plan	2016 Plan	2017 Plan
Main market conditions at the grant date				
Volatility	26.33%	24.54%	26.35%	25.65%
Risk-free interest rate	0.34% - 0.81%	0.10% - 0.55%	0.2% - 0.17%	-0.17% - 0.9%
Expected dividend rate	2.31%	1.60%	1.6%	1.6%
Other conditions				
In employment within the group at the vesting date	Yes	Yes	Yes	Yes
Valuation model used to calculate the fair value of options	Monte Carlo for performance shares with external (market) conditions	Monte Carlo for performance shares with external (market) conditions	Monte Carlo for performance shares with external (market) conditions	Monte Carlo for performance shares with external (market) conditions
Range of fair values in euros				
Free shares (per share and in euros)	NA	NA	NA	NA
Performance shares (per share and in euros)	26.46 - 48.26	61.73 - 82.18	54.02 - 77.1	62.02 - 93.25
Share price at the grant date (in euros)	53.35	87.60	83.78	100.25
ESOP cost recognised in the year ended 31 March 2018	(97)	125	166	105

During the previous year, on vesting of the 2012 and 2013 plans, Capgemini SE recharged the Company the cost of acquiring such shares for settlement to the employees for the aforementioned years. The Company had recognised stock based awards' compensation expenses as a liability payable to Capgemini SE. For this purpose, the unvested shares were valued at Capgemin SE's share price as at 31 March 2017.

Particulars	31 March 2017		
	2014 Plan	2015 Plan	2016 Plan
Grant date	30-Jul-14	29-Jul-15	26-Jul-16
Performance assessment dates	Three years for the internal performance condition and two years for the external performance condition	Three years for the two performance conditions	Three years for the two performance conditions
Vesting period	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date
Total number of shares granted taken over pursuant to amalgamation	82,000	74,950	112,600
Options vested	-	-	-
Options exercised	-	-	-
Options forfeited or canceled during the year	-	-	-
Options unexercised	-	-	-
Options lapsed	-	-	-
Total number of options as at closing date	82,000	74,950	112,600
Charge for the year	238	126	76
Amount payable under employee stock option plan - refer note 18 and 22	312	126	76

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

(iii) During the current year, Capgemini SE, the ultimate holding 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 holding company at a discounted rate of 12.5%. The grant of the above shares relate to the share capital of the holding company and shall have no impact on the share capital of the subsidiary companies whose employees are also entitled to subscribe to the share allocation. The Company recognised compensated expense for these awards using the fair value method.

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

Particulars	ESOP 2017 31 March 2018
Details of the meeting	General Shareholders' meeting (10 May 2017)
Grant date	15-Nov-17
Base price (in euros)	102.16
Subscription price (in euros)	89.39
Par value discount (%)	12.50
Share price on grant (in euros)	100
Total number of shares subscribed	46,688
Charge for the year	3

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

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 234 (31 March 2017 Rs. 181). The total expenditure incurred on 'Corporate Social Responsibility Activities' for the current year is Rs. 161 (31 March 2017 Rs. 137)

Amount spent during the year on:

Particulars	In cash	Yet to be paid	Total
(i) Construction/acquisition of any assets (31 March 2017 Rs. Nil)	-	-	-
(ii) CSR Programs (previous year Rs. 130)	**127**	**27**	**154**
(iii) Other expenses allowed under CSR (31 March 2017 Rs. 7)	**7**	**-**	**7**
Total (31 March 2017 Rs. 137)	**134**	**27**	**161**

46 Overdue receivables for export services

As on 31 March 2018, the Company has receivables from group companies amounting to Rs. 242 which is outstanding for a period exceeding nine months from the invoice date. As per the RBI Master Circular No. 14/2015-16 on Export of Goods and Services updated on 16 July 2015, "It is obligatory on the part of the exporter to realize and repatriate the full value of goods or services to India within a period of nine months from the date of export". The export proceeds against these dues have not been repatriated within the stipulated period under the FEMA Rules and Regulations. Management has already filed for extension of time for collecting the dues of Rs. 242 till 31 March 2019 with authorised dealer and is awaiting confirmation.

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

47 Details of loan given covered u/s. 186 (4) of the Companies Act 2013:

Details of loan given by the Company as at 31 March 2018 (including loan given in the previous years)

Name of entity	As on 31 March 2018	Purpose	Loan repayment terms	Rate of interest
IGATE Infrastructure Management Services Limited	97	Business purpose	Repayment to be made within 1095 days	10% p.a.

Details for financial year ended 31 March 2018

Name of entity	Opening balance	Loan repaid	Loan given (including interest)	Closing balance
IGATE Infrastructure Management Services Limited	90	-	7	97

Details for financial year ended 31 March 2017

Name of entity	Opening balance	Loan repaid	Loan given	Closing balance
IGATE Infrastructure Management Services Limited	95	(5)	-	90

48 Specified bank notes (SBN)

During the previous year, the Company has other denomination notes ('ODN') as defined under MCA notification G.S.R. 308 (E) dated 30 March 2017 on the details of 'Specified Bank Notes' ('SBN') held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise ODN as per notification is given below. The Company had no transactions / balances of Specified Bank Notes during the specified period

Amounts in the below table are absolute numbers

Particulars	SBNs	ODNs	Total
Closing cash on hand as on 8 November 2016	-	444	444
(+) Amount withdrawn from banks	-	19,260	19,260
(-) Permitted payments	-	(18,965)	(18,965)
(-) Amount deposited in banks	-	(739)	(739)
Closing cash on hand as on 30 December 2016	-	-	-

49 Managerial remuneration

During the year ended 31 March 2016, the Company paid remuneration amounting to Rs. 291 to its whole-time director. Such amounts paid were in excess of the limits specified in section 197 of the Companies Act, 2013 ('the Act') and Schedule V of the Act. The Company approved resolutions in Board meeting held on 23 November 2016 and shareholders meeting held on 29 December 2016 seeking approval for the excess remuneration paid and subsequently filed an application to the Central Government on 22 February 2017 to ratify excess remuneration paid aggregating to Rs. 221. During the year, pursuant to the application made by the Company, the Central Government has, vide its order dated 1 December 2017, has approved remuneration amounting to Rs. 118 and has directed the Company to recover excess remuneration of Rs. 173. The Company has recorded such excess remuneration as recoverable from the director under 'Other current financial assets' (refer note 15). However, no amount has been recovered till the date of approval of financial statements. The Company has, however, filed for a review petition on 23 April 2018 against the order of Central Government.

50 Subsequent events

(i) The Company had filed an application with the Hon'ble High Court of Judicature of Bombay in August 2016 to merge IGATE Infrastructure Management Services Limited with the Company effective 1 April 2017 under Section 391 to 394 of the Companies Act, 1956 pursuant to the approval of the scheme by Board of Directors on 18 July 2016. The said matter got transferred to the National Company Law Tribunal, Mumbai (NCLT) consequent to the notification of provisions relating to scheme of merger under Companies Act, 2013 by the Ministry of Corporate Affairs and to transfer all proceedings pending under Companies Act, 1956 before the various High Courts to the relevant benches of NCLT w.e.f 15 December 2016. In addition to the original scheme of merger, the Board of Directors have approved certain amendments to the scheme on 23 June 2017. The Company has filed the amended scheme of merger with NCLT, Mumbai.

(ii) The Company has filed an application with the National Company Law Tribunal, Mumbai on 19 April 2018 to merge Tcube Software Solutions Private Limited with the Company effective 1 April 2018 under Section 230 to 232 of the Companies Act, 2013 pursuant to the approval of the scheme by the Company's Board of Directors on 23 February 2018.

Notes to the financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

51 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year. The Company is required to update and put in place the information latest by the due date of filing its income tax return (30 November 2018). The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

52 Previous year comparitives

Previous year's figures have been regrouped or reclassified as detailed below to confirm to current year's presentation.

Account head transferred from	Account head transferred to	Amount
Trade receivables	Other financial liabilities	134
Trade and other payables	Non current provisions	135
Trade and other payables	Other financial liabilities	1,298
Other operating expenses	Other income	135

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

As per our report of even date attached.

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

Vijay Mathur
Partner
Membership No: 046476

Place : Mumbai
Date : 25 July 2018

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

Srinivasa Rao Kandula
Managing Director
DIN - 07412426

Kalpana Rao
Director
DIN - 07093566

Armin Billimoria
Company Secretary

Sujit Sircar
Chief Financial Officer

Place : Mumbai
Date : 25 July 2018

Independent Auditor's Report

To The Members of Capgemini Technology Services India Limited *(formerly known as IGATE Global Solutions Limited)*

Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Capgemini Technology Services India Limited (formerly known as IGATE Global Solutions Limited) (hereinafter referred to as "the Holding Company") and its subsidiaries (together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2018, 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 a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS 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.

Auditor's Responsibility

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

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

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

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

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2018 and their consolidated profit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Emphasis of Matter:

We draw attention to Note 48 to the consolidated Ind AS financial statements which refers to managerial remuneration of Rs. 291 million paid to a whole-time director during the year ended 31 March 2016 in excess of the limits specified under section 197 and Schedule V of the Act. During the year, pursuant to the application by the Holding Company, the Central government has approved remuneration amounting to Rs. 118 million and has directed the Holding Company to recover the excess remuneration of Rs. 173 million. The Company has recorded such excess remuneration as recoverable in its consolidated Ind AS financial statements as on 31 March 2018: however, no amount has been recovered till the date of this report. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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 Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Holding Company and the subsidiary companies incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries incorporated in India 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, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer note 37 to the consolidated Ind AS financial statements;

   ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts – Refer note 36 to the consolidated Ind AS financial statements;

   iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31 March 2018;

   iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited consolidated Ind AS financial statements for the year ended 31 March 2017 have been disclosed.

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

Vijay Mathur
Partner
Membership No. 046476

Mumbai
Date: 25 July 2018

Annexure A to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of Capgemini Technology Services India Limited – 31 March 2018

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

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31 March 2017, we have audited the internal financial controls with reference to financial statements of Capgemini Technology Services India Limited (formerly known as IGATE Global Solutions Limited) ("Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance note") issued by the Institute of Chartered Accountants of India ("ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained, and, if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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 the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Vijay Mathur
Partner
Membership No: 046476

Mumbai
25 July 2018

Consolidated Balance Sheet as at 31 March 2018

(Currency : INR in millions)

	Note	31 March 2018	31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3	**19,901**	21,387
Capital work-in-progress	4	**7,180**	2,952
Intangible assets	5	**327**	427
Goodwill	5	**472**	9
Financial assets			
Others	6	**1,361**	1,419
Deferred tax assets (net)	7	**15,415**	16,146
Income tax assets (net)		**5,985**	5,805
Other non-current assets	8	**2,566**	2,726
Total non current assets		**53,207**	50,871
Current Assets			
Financial Assets			
Investments	9	**40,533**	21,172
Trade receivables	10	**16,637**	17,453
Cash and cash equivalents	11	**2,501**	8,794
Others	12	**8,253**	8,243
Other current assets	13	**2,251**	1,785
Total current assets		**70,175**	57,447
TOTAL ASSETS		**123,382**	108,318
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	**591**	591
Other equity		**98,815**	83,293
Total equity		**99,406**	83,884
Non current liabilities			
Financial liabilities			
Others	15	**36**	958
Provisions	16	**3,937**	4,234
Other non-current liabilities	17	**457**	500
Total non current liabilities		**4,430**	5,692
Current liabilities			
Financial liabilities			
Trade and other payables	18		
- Due to micro and small enterprises		**12**	10
- Due to other than micro and small enterprises		**6,832**	6,414
Others	19	**4,579**	5,027
Other current liabilities	20	**5,060**	3,821
Provisions	21	**1,279**	1,370
Income tax liabilities (net)		**1,784**	2,100
Total current liabilities		**19,546**	18,742
Total liabilities		**23,976**	24,434
TOTAL EQUITY AND LIABILITIES		**123,382**	108,318

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

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

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

Vijay Mathur
Partner
Membership No: 046476

Srinivasa Rao Kandula
Managing Director
DIN - 07412426

Kalpana Rao
Director
DIN - 07093566

Armin Billimoria
Company Secretary

Sujit Sircar
Chief Financial Officer

Place : Mumbai
Date : 25 July 2018

Place : Mumbai
Date : 25 July 2018

Consolidated Statement of Profit & Loss for the year ended 31 March 2018

(Currency : INR in millions)

	Note	31 March 2018	31 March 2017
Revenue from operations	22	**128,547**	119,704
Other income, net	23	**3,856**	5,933
Total income		**132,403**	125,637
Expenses			
Employee benefits expense	24	**83,587**	77,595
Finance costs	25	**102**	281
Depreciation and amortisation expenses	26	**4,383**	4,177
Other expenses	27	**24,737**	23,261
Total expenses		**112,809**	105,314
Profit before tax		**19,594**	20,323
Tax expense:			
Current tax	29	**4,926**	5,681
Deferred tax charge/(credit)		**416**	(1,150)
Profit for the year		**14,252**	15,792
Other comprehensive income	28		
A (i) Items that will not be reclassified subsequently to Statement of profit and loss			
Remeasurements of the defined benefit plans (net)		**715**	75
B (i) Items that will be reclassified subsequently to Statement of profit and loss			
The effective portion of gains / (loss) on hedging instruments in a cash flow hedge		**(151)**	114
Exchange differences on translation of foreign operations		**(111)**	(150)
Total comprehensive income , net of tax		**453**	39
Total comprehensive income for the year		**14,705**	15,831
Profit attributable to:			
Owners of the Company		**14,252**	15,795
Non-controlling interests		**-**	(3)
Total comprehensive income attributable to:			
Owners of the Company		**14,705**	15,834
Non-controlling interests		**-**	(3)
Earnings per equity share			
Nominal value of share Rs. 10 (31 March 2017: Rs. 10)			
Basic and diluted		**240.99**	267.08
Number of shares		**59,139,500**	59,139,500

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

As per our report of even date attached.

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

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

Vijay Mathur
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Srinivasa Rao Kandula
Managing Director
DIN - 07412426

Kalpana Rao
Director
DIN - 07093566

Armin Billimoria
Company Secretary

Sujit Sircar
Chief Financial Officer

Place : Mumbai
Date : 25 July 2018

Place : Mumbai
Date : 25 July 2018

Consolidated Cash Flow Statement for the year ended 31 March 2018

(Currency : INR in millions)

		31 March 2018	31 March 2017
A.	**Cash flows from operating activities**		
	Profit before tax	**19,594**	20,323
	Adjustments for:		
	Depreciation and amortisation expenses	**4,383**	4,177
	Profit on sale of non-current investments	**(135)**	(198)
	Profit on sale of branches	**-**	(3,127)
	Income on mutual funds	**(2,342)**	(685)
	Provisions no longer required written back	**(12)**	-
	Provision for Doubtful Trade Receivables written back	**(328)**	(11)
	Employee stock compensation expense	**303**	-
	Profit on sale / disposal of assets (net)	**(86)**	(36)
	Interest on deposits with banks	**(169)**	(903)
	Other interest (including interest on income tax refunds)	**(15)**	(469)
	Interest on income tax	**67**	253
	Interest on borrowings	**28**	26
	Interest under MSMED Act, 2006	**7**	2
	Provision for doubtful trade receivables	**-**	601
	Provision for contingencies	**124**	(125)
	Unrealised foreign currency gain (net)	**(46)**	(4)
	Effect of exchange differences on translation of foreign currency cash and cash equivalents	**(1)**	19
	Operating profit before working capital changes	**21,372**	19,843
	Changes in working capital		
	Increase in trade and other payables	**294**	695
	Decrease in other financials liabilities	**(282)**	(1,391)
	(Decrease) / increase in non current financials liabilities	**(408)**	698
	Increase in other current liabilities	**1,242**	1,183
	Decrease in other non current liabilities	**(42)**	(3)
	Increase in current provisions	**76**	91
	Increase in non current provisions	**526**	535
	Decrease / (increase) in trade receivables	**1,315**	(2,241)
	Increase / (decrease) in non current assets	**(277)**	388
	Increase in other current assets	**(422)**	(28)
	Increase in other financial assets	**(1,647)**	(851)
	Cash generated from operations	**21,747**	18,919
	Taxes paid, net	**(4,360)**	(4,728)
	Net cash generated from operating activities (A)	**17,387**	14,191
B.	**Cash flows from investing activities**		
	Purchase of tangible and intangible assets	**(6,884)**	(6,409)
	Proceed from sale of tangible and intangible assets	**224**	152
	Purchase of non current investments	**(495)**	(1,148)
	Proceed from sale of non current investments	**130**	3,635
	Purchase of current investments	**(138,860)**	(51,603)
	Proceed from sale of current investments	**121,842**	37,822
	Interest received on fixed deposits and investments	**390**	809
	Net cash used in investing activities	**(23,653)**	(16,742)

Consolidated Cash Flow Statement for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

		31 March 2018	31 March 2017
C.	**Cash flows from financing activities**		
	Payment towards employee stock option plans	**-**	(457)
	Finance cost	**(28)**	(29)
	Net cash used in Financing Activities	**(28)**	(486)
	Net (decrease) in cash and cash equivalents (A+B+C)	**(6,294)**	(3,037)
	Effect of exchange differences on translation of foreign currency cash and cash equivalent	**1**	(19)
	Cash and Cash equivalents at the beginning of the year	**8,794**	11,850
	Cash and Cash equivalents at the end of the year	**2,501**	8,794

Notes **:**

1) **Reconciliation of Cash and Cash Equivalents:**

	31 March 2018	31 March 2017
Cash and cash equivalents comprise of:		
Cash on hand*	**-**	-
Cheques on hand	**6**	-
Remittances in transit	**34**	5
In unpaid dividend accounts	**-**	2
- in current accounts	**606**	1,529
- in EEFC account	**60**	358
- in deposits accounts	**1,795**	6,900
Cash and Cash equivalents at the end of the year	**2,501**	8,794

*Amount is below rounding off limit

2) Purchase of fixed assets include payments for items in capital work in progress and advance for purchase of fixed assets.
3) Figures in brackets represents outflow of cash and cash equivalents.
4) Previous years figures have been regrouped, wherever necessary to conform to the current years classification.

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

As per our report of even date attached.

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

Vijay Mathur
Partner
Membership No: 046476

Place : Mumbai
Date : 25 July 2018

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

Srinivasa Rao Kandula
Managing Director
DIN - 07412426

Kalpana Rao
Director
DIN - 07093566

Armin Billimoria
Company Secretary

Sujit Sircar
Chief Financial Officer

Place : Mumbai
Date : 25 July 2018

Consolidated Statement of Changes in Equity (SOCIE) for the year ended 31 March 2018

(Currency : INR in millions)

(a) Equity share capital

	31 March 2018	31 March 2017
Equity share capital balance at the beginning	**591**	271
Increase in share capital on account of issue of equity shares (refer note 14)	**-**	320
Equity share capital balance at the end	**591**	591

(b) Other equity

Particulars	Attributable to the equity holders of the parent												
	Resevers and Surples							Items of Other comprehensive income					
	Capital Reserve	Building revaluation reserve	Securities Premium Account	Capital Redemption Reserve	General Reserve	Employees Stock Option Reserve	Retained earnings	Effective portion of Cash Flow Hedges	Exchange differences on translation of foreign operations	Remeasurements of the defined benefit plans	Equity attributable to Equity share holders of the Company	Non controlling Interest	Total Other equity
Balance at 31 March 2016	(265)	1	836	330	1,417	469	65,025	39	74	64	67,990	7	67,997
Reversal on account of liquidation of Thesys Technologies LLC	-	-	-	-	-	-	-	-	-	-	-	(4)	(4)
Payment to Capgemini SE, ultimate holding company, towards stock compensation expense (refer note 40(ii))	-	-	-	-	-	-	(457)	-	-	-	(457)	-	(457)
Charge for stock compensation expense (refer note 40 (ii))	-	-	-	-	-	(74)	-	-	-	-	(74)	-	(74)
Profit for the year	-	-	-	-	-	-	15,795	-	-	-	15,795	(3)	15,792
Other comprehensive income for the year	-	-	-	-	-	-	-	114	(150)	75	39		39
Total comprehensive income for the year	-	-	-	-	-	-	15,795	114	(150)	75	15,834	(3)	15,831
Balance at 31 March 2017	**(265)**	**1**	**836**	**330**	**1,417**	**395**	**80,363**	**153**	**(76)**	**139**	**83,293**	**-**	**83,293**
Unpaid employees stock option plan liability transferred (refer note 40(ii))	-	-	-	-	-	514	-	-	-	-	514	-	514
Charge for the year	-	-	-	-	-	303	-	-	-	-	303	-	303
Profit for the year	-	-	-	-	-	-	14,252	-	-	-	14,252	-	14,252
Other comprehensive income for the year	-	-	-	-	-	-	-	(151)	(111)	715	453	-	453
Total comprehensive income for the year	-	-	-	-	-	-	14,252	(151)	(111)	715	14,705	-	14,705
Balance at March 31, 2018	**(265)**	**1**	**836**	**330**	**1,417**	**1,212**	**94,615**	**2**	**(187)**	**854**	**98,815**	**-**	**98,815**

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

As per our report of even date attached.

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

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

Vijay Mathur
Partner
Membership No: 046476

Srinivasa Rao Kandula
Managing Director
DIN - 07412426

Kalpana Rao
Director
DIN - 07093566

Armin Billimoria
Company Secretary

Sujit Sircar
Chief Financial Officer

Place : Mumbai
Date : 25 July 2018

Place : Mumbai
Date : 25 July 2018

Notes to the consolidated financial statements for the year ended 31 March 2018

(Currency : INR in millions)

1 Corporate overview

Capgemini Technology Services India Limited ("the Company" or "CTSIL") is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. These consolidated financial statements comprise the Company and its subsidiaries (collectively referred to as the 'Group'). The Group is primarily engaged in providing Information Technology ("IT") and IT - enabled operations, offshore outsourcing solutions and BPO (business process outsourcing) services to large and medium-sized organizations using an offshore/onsite model. The Company has its branches and subsidiaries in United States, Australia, Switzerland and Malaysia. IT services and IT-enabled operation offshore outsourcing solutions are delivered using the offshore centers located in Bangalore, Hyderabad, Chennai, Noida, Mumbai, Pune and Gandhinagar in India.

Capgemini India Private Limited (CIPL) filed a scheme of merger with the Bombay High court on 3 February 2016, whereby the entire business and undertaking of CIPL had been transferred to the IGATE Global Solutions Limited (IGSL) effective 1 April 2015.

During the previous year, the Company has filed for change in name from IGATE Global Solutions Limited to its current name Capgemini Technology Services India Limited and same has been approved by ROC of Mumbai / Bangalore by issuing a revised certificate of Incorporation dated 16 December 2016. Consequently name of Company changed to Capgemini Technology Services India Limited with effect from 16 December 2016.

2 Significant accounting policies

a) Statement of compliance and basis of preparation

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

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

- The consolidated financial statements include the financial statements of the Company and its subsidiaries, which are more than 50% owned or controlled. The financial statements of the parent company and its majority owned/ controlled subsidiaries which are drawn up to the same reporting date have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all intra-group balances/transactions and resulting unrealised gain/loss.

i) Basis of consolidation

The financial statements of the following entities in the Group are prepared using uniform accounting policies and are drawn up to the same accounting period as that of the Group

Sr. no.	Name of the Company	Relationship	Voting power % as at 31 March 2018	31 March 2017
1	IGATE Infrastructure Management Services limited	Subsidiary	100	100
2	IGATE Computer Systems (Suzhou) Co Ltd. (The Company is disinvested on 12 March 2018)	Subsidiary	100	100
3	PATNI Computer Systems GmbH (The Company is disinvested on 9 August 2016)	Subsidiary	-	100
4	IGATE Global Solutions Mexico SA de CV (The Company is disinvested on 27 June 2016)	Subsidiary	-	100
5	IGATE Singapore Pte. Ltd. (The Company is disinvested on 12 March 2018)	Subsidiary	100	100
6	Thesys Technologies LLC (The Company is liquidated on 3 February 2017)	Subsidiary	-	100
7	TCUBE Software Solutions Pvt.Ltd (w.e.f 1 November 2017)	Subsidiary	100	-

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. 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:

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

- 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 contractualarrangements
- Potential voting rights held by the Group

The consolidated financial statements of the group are prepared based on a line by line combination of the separate financial statements of the Company and its subsidiaries whereby the book values of like items of assets, liabilities, income, expenses and tax have been added.

Joint venture arrangements where the Group has joint control are accounted for on the basis of proportionate consolidation

The excess of the cost to the parent of its investments in a subsidiary over the parent's portion of equity at the date on which investment in the subsidiary is made, is recognised as 'Goodwill'. When the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary at the date on which investment in the subsidiary is made, the difference is treated as 'Capital Reserve' in the consolidated financial statements.

iii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Functional currency and presentation currency

These consolidated financial statements are prepared in Indian Rupees (INR) which is also the Group's functional currency. All amounts have been rounded-off to the nearest millions except share and per share data, unless otherwise stated .

c) Use of estimates

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

Revenue recognition

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

Taxes

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

Business Combination

In accounting for business combinations, judgment 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 judgment. 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 judgments, estimates, and assumptions can materially affect the results of operations.

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

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 receivable

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

Useful life of Property, Plant and Equipment

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

Impairment of Non-financial assets

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

Provisions and Contingent Liabilities

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

d) Business combinations

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

As part of its transition to Ind AS, the Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, to only those business combinations that occurred on or after 1 April 2014. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

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

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

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

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

Common control business combinations on or after 1 April 2015

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

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

Business combinations prior to 1 April 2015

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

e) **Current–non-current classification**

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

Assets

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

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

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

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

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

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

All other assets are classified as non-current.

Liabilities

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

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

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

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

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

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

All other liabilities are classified as non-current.

Operating cycle

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

f) **Property, plant and equipment**

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

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

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

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

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

g) **Capital work in Progress**:

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

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

h) Depreciation on property, plant and equipment

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

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

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 primary lease period
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 values the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

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

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

i) Intangible assets

(i) Goodwill

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

(ii) Acquired intangible assets

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

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

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

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

j) Leases

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

Payments made under operating leases are generally recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

k) Impairment of Property, plant and equipment

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

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill is allocated to CGUs only when the allocation can be done on a reasonable and consistent basis. If this requirement is not met for a specific CGU under review, the smallest CGU to which the carrying amount of goodwill can be allocated on a reasonable and consistent basis is identified and the impairment testing carried out at that level.

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

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

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

l) Investments

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

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

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

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

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

m) Revenue recognition

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

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

(i) Time and material contracts

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

(ii) Fixed price contracts

Revenue from fixed-price development contracts is recognised using the percentage of completion method, under which the contract performance is determined by relating the actual costs incurred to date to the estimated total costs for each contract. The cost incurred (or input) method is used to measure progress as there is a direct relationship between input and productivity. If the Group does not have a sufficient basis to measure the progress of completion or to eliminate the total contract revenue and costs, revenue is recognised only to the extent contract costs incurred, for which recoverability is probable. Any anticipated losses expected upon contract completion are recognised immediately.

(iii) Unbilled revenue and Billing in advance

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

(iv) Others

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

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

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

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

Recognition of dividend income, interest income or expense

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

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

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

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

n) Foreign currency transactions and balances

i) Initial recognition

The Group is exposed to foreign currency transactions including foreign currency revenues, receivables, expenses, payables and borrowings. Foreign exchange transactions during the year are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are 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.

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

iii) Translation of foreign operations

The assets and liabilities of foreign operations (subsidiaries, associates, joint arrangements, branches) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to the Statement of Profit and Loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to OCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the Statement of Profit and Loss.

o) Employee benefits

i) Short-term employee benefits

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

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

ii) Post-employment benefits

(i) Defined contribution plan

Provident fund

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

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

(ii) Defined benefit plan

Provident fund

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

Gratuity

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

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

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

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.

Compensated absences

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

p) Employee stock compensation

Employees of erstwhile IGATE Global Solutions Limited

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

Employees of erstwhile Capgemini India Private Limited

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

During the previous year, on vesting of the 2012 and 2013 plans, Capgemini SE recharged the CTSIL the cost of acquiring such shares for settlement to the employees for the aforementioned years. CTSIL had recognised stock based awards' compensation expenses as a liability payable to Capgemini SE. For this purpose, the unvested shares were valued at Capgemin SE's share price as at 31 March 2017.

During the current year, CTSIL changed the policy of recognising the compensation cost for these ESOP plans using equity method instead of the liability method that was used until the previous year. As a consequence of this change, the entire unpaid liability payable to the ultimate holding company as at 31 March 2017 has been considered as no longer payable and has been adjusted agaist the cumulative compensation cost recognised using the grant date fair value for these awards for the years ended 31 March 2015 - 31 March 2018.

Such stock based awards' compensation expenses is recognised in "Employee benefits expense" in the Statement of Profit and Loss on a straight-line basis over the vesting period, with a corresponding adjustment to 'Employees Stock Option Reserve' included in SOCIE.

q) Income taxes

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

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

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

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

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)* *(Currency : INR in millions)*

- 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 Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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

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

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

r) Earnings per share

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

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

s) Provisions

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

Onerous Contracts

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

t) Contingent liabilities

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

u) Cash flow statement

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

v) Financial instruments

i) Recognition and initial measurement

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

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)* *(Currency : INR in millions)*

ii) Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv) Offsetting

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

v) Derivative instruments and hedge accounting

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

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

Cash Flow Hedges

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

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

w) Impairment

i) Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on:

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

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

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

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

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)* *(Currency : INR in millions)*

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

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

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

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

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

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

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

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

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

Measurement of expected credit losses

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

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

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

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

Write-off

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

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

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

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

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

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.

Recent accounting developments

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On 28 March 2018, the Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in foreign currency.

This amendment will come into force effective 1 April 2018. The Company is in the process of evaluating the impact on account of the same.

Ind AS 115, Revenue from Contract with Customers

On 28 March 2018, the MCA notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach – under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting policies, Changes in Accounting, Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (cumulative catch up approach)

  The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018. The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 115 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present and the Company is the process of quantification. The Company has elected to adopt the full retrospective method with restatement of 2018 comparative figures and recognition of the cumulated effect in equity at 1 April 2017.

  The following main impacts were identified:

- "Principal" versus "agent":

  As part of its operational activities, the Company can be required to resell hardware, software and services purchased from third-party suppliers to its customers. Ind AS 115 amends the principles and indicators determining whether the Company should present these transactions in the Statement of profit and loss as a "principal", on a gross basis (with recognition of purchases in operating expenses) or as an "agent", on a net basis (recognition of revenues equal to amounts invoiced to the customer net of amounts invoiced by the supplier). Pursuant to Ind AS 115, the Company considers it acts as a "principal" when it obtains control of the hardware, software or services before transferring them to the customer. Based on analyses, the Company expects more transactions will be presented on a net basis.

- Measuring the progress of fixed-price services

  Fixed-price systems integration and solution development services will continue to be recognised based on expenditure incurred.

- Costs of obtaining contracts

  Going forward, the Company will be required to capitalise commission and bonuses paid to obtain multi-year contracts. This change should not have a material impact.

- Reimbursements received from customers

  Reimbursements received from customers shall no longer be recognised as a deduction from costs incurred but as revenues unless the Company is acting as an "agent". This change will not have any impact as the Company follows this practice at present.

Notes to the consolidated financial statements as at 31 March 2018 *(Contd.)*

(Currency : INR in millions)

3 Property, plant and equipment

	Freehold land (refer note b)	Leasehold land (refer note b)	Buidings (refer note b)	Computers	Office equipment	Furniture and fixtures	Leasehold improvements	Vehicles (refer note a)	Total
Gross Block									
Balance as at 1 April 2016	270	1,387	12,748	9,722	8,004	6,137	4,049	164	42,481
Additions pursuant to merger of Capgemini Solutions Private Limited (refer note 45 (i))	-	-	-	395	275	42	81	172	965
Additions	-	9	744	1,463	727	120	226	36	3,325
Disposals	-	-	-	(925)	(279)	(142)	(179)	(83)	(1,608)
At 31 March 2017	270	1,396	13,492	10,655	8,727	6,157	4,177	289	45,163
Additions pursuant to merger of TCUBE Software Solutions Private Limited (refer Note 45 (ii))	-	2	1	11	1	6	-	-	21
Additions	-	210	213	1,419	567	160	178	-	2,747
Disposals	-	-	(2)	(939)	(143)	(67)	(91)	(82)	(1,324)
At 31 March 2018	**270**	**1,608**	**13,704**	**11,146**	**9,152**	**6,256**	**4,264**	**207**	**46,607**
Accumulated Depreciation									
Balance as at 1 April 2016	-	(117)	(2,074)	(7,241)	(4,925)	(4,005)	(2,333)	(85)	(20,780)
Additions pursuant to merger of Capgemini Solutions Private Limited (refer note 45 (i))	-	-	-	(227)	(143)	(19)	(30)	(90)	(509)
Charge for the year	-	(15)	(345)	(1,572)	(1,046)	(319)	(555)	(42)	(3,894)
Disposals	-	-	-	851	240	116	126	74	1,407
At 31 March 2017	-	(132)	(2,419)	(8,189)	(5,874)	(4,227)	(2,792)	(143)	(23,776)
Reclassification									
Additions pursuant to merger of TCUBE Software Solutions Private Limited (refer Note 45 (ii))	-	-	-	(8)	(1)	(2)	-	-	(11)
Charge for the year	-	(14)	(411)	(1,594)	(1,136)	(373)	(523)	(54)	(4,105)
Disposals	-	-	-	865	126	57	75	63	1,186
At 31 March 2018	**-**	**(146)**	**(2,830)**	**(8,926)**	**(6,885)**	**(4,545)**	**(3,240)**	**(134)**	**(26,706)**
Net block									
At 31 March 2017	270	1,264	11,073	2,466	2,853	1,930	1,385	146	21,387
At 31 March 2018	**270**	**1,462**	**10,874**	**2,220**	**2,267**	**1,711**	**1,024**	**73**	**19,901**

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

	Vehicles	
	As at 31 March 2018	As at 31 March 2017
Gross block		
Opening balance	**124**	115
Additions	**-**	36
Disposals	**(45)**	(27)
Closing balance	**79**	124
Accumulated Depreciation		
Opening balance	**(54)**	(48)
Charge for the year	**(23)**	(26)
Disposals	**32**	20
Closing balance	**(45)**	(54)
Net block	**34**	70

b) Freehold land, leasehold land and buildings of gross block Rs. 2,912 and accumulated depreciation amounting to Rs. 867 is pending registration in the name of Capgemini Technology Services India Limited pursuant to merger between Capgemini India Private Limited and the Company.

Notes to the consolidated financial statements as at 31 March 2018 *(Contd.)*

(Currency : INR in millions)

4 Capital work-in-progress

At 1 April 2016	993
Additions	5,566
Capitalization	(3,607)
At 31 March 2017	2,952
Additions	7,153
Capitalization	(2,925)
At 31 March 2018	**7,180**

5 Intangible assets

	Goodwill	Computer software	Total
Gross block			
Balance as at 1 April 2016	178	2,643	2,821
Additions	-	282	282
Disposals	-	(119)	(119)
At 31 March 2017	178	2,806	2,984
Pursuant to amalgamation of TCUBE Software Private Limited (refer note 45(ii))	463	-	463
Additions	-	178	178
Disposals	-	-	-
At 31 March 2018	**641**	**2,984**	**3,625**
Amortisation			
Balance as at 1 April 2016	(169)	(2,211)	(2,380)
Charge for the year	-	(283)	(283)
Disposals	-	115	115
At 31 March 2017	(169)	(2,379)	(2,548)
Pursuant to amalgamation of TCUBE Software Private Limited	-	-	-
Charge for the year	-	(278)	(278)
Disposals	-	-	-
At 31 March 2018	**(169)**	**(2,657)**	**(2,826)**
Net block			
At 31 March 2017	9	427	436
At 31 March 2018	**472**	**327**	**799**

	31 March 2018	31 March 2017
6 Other financial assets		
Non-current		
Unsecured, considered good		
Security deposits	**1,361**	1,419
7 Deferred tax assets (net)		
Deferred tax liabilities		
Cash flow hedges	**3**	81
	3	81
Deferred tax assets		
Property, plant and equipment and intangible assets	**7,165**	8,804
Provisions - employee benefits	**1,555**	2,036
Provision for doubtful trade receivables	**269**	369
Merger expenses	**193**	232
MAT credit carried forward	**6,405**	4,612
Others	**(169)**	174
	15,418	16,227
Net deferred tax asset (refer note 29)	**15,415**	16,146

Notes to the consolidated financial statements as at 31 March 2018 *(Contd.)*

(Currency : INR in millions)

		31 March 2018	31 March 2017
8	**Other non-current assets**		
	Capital advances	**799**	1,239
	Prepaid expenses	**409**	545
	Prepayment of pension liability	**19**	12
	Balances with statutory/government authorities (VAT/ Cenvat / Service tax credit receivable)	**1,339**	930
		2,566	2,726
9	**Investments**		
	Current		
	Investment carried at fair value through statement of profit and loss		
	Mutual Funds (quoted)		
	731,931 (31 March 2017 - 474,698) units in Axis Liquid fund direct plan growth	**1,411**	856
	463,595 (31 March 2017 - 208,752) units in Reliance Money Manager Fund- Direct Growth Plan	**1,131**	475
	Nil (31 March 2017 - 11,490,191) units in Reliance Banking & PSU Debt Fund Direct Growth Plan	**-**	136
	950,898 (31 March 2017 - 566,801) units in Reliance Liquidity Fund Treasury Plan Direct Growth Plan Growth Option	**4,032**	2,249
	1,186,589 (31 March 2017 - 503,999) units in Religare Invesco Liquid Fund - Growth Direct Plan	**2,838**	1,128
	Nil (31 March 2017- 227,757) units in Religare Invesco Credit Opportunities Fund-Direct Plan -Growth	**-**	427
	32,624,143 (31 March 2017 - 10,089,563) units in DSP Black Rock Ultra Short Term Fund Direct Plan Growth	**416**	120
	896,192 (31 March 2017 - 590,937) units in DSP Black Rock Liquidity Fund- Direct Plan Growth	**2,227**	1,374
	543,175 (31 March 2017 - 173,603) units in HDFC Liquid Fund Direct Plan Growth Option	**1,860**	557
	1,494,751 (31 March 2017 - 686,941) units in IDFC Cash Fund -Regular Plan-Growth Direct Plan	**3,155**	1,357
	Nil (31 March 2017 - 1,718,915) units in IDFC Super Saver Income Fund Medium Term Plan Growth Direct Plan	**-**	49
	27,604,310 (31 March 2017 - 8,594,983) units in IDFC Ultra Short Term Fund Growth - Direct Plan	**684**	199
	4,668,982 (31 March 2017 - 2,242,497) units in ICICI Prudential Flexible Income - Direct Plan - Growth	**1,564**	701
	Nil (31 March 2017 - 27,293,101) units in ICICI Prudential Ultra Short Term Fund - Direct Plan -Growth	**-**	467
	8,951,457 (31 March 2017 - 7,805,691) units in ICICI Prudential Liquid - Regular Plan - Growth Direct Plan	**2,302**	1,879
	4,400,892 (31 March 2017 - 2,507,630) units in Aditya Birla Sun Life Savings Fund-Growth - Direct plan	**1,514**	802
	10,093,745 (31 March 2017 - 3,466,648) units in Aditya Birla Sun Life Cash Plus - Growth Direct Plan	**2,819**	906
	620,961 (31 March 2017 - 481,604) units in Tata Money Market Fund Direct Plan Growth	**1,700**	1,234
	131,515 (31 March 2017 - 131,515) units in Kotak Low Duration Fund Direct Growth	**288**	267
	636,562 (31 March 2017 - 697,237) units in Kotak Floater Short Term-(Growth) Direct Plan	**1,815**	1,862
	8,593,493 (31 March 2017 - 5,608,610) units in DHFL Pramerica Insta Cash Plus Fund -Direct Plan Growth	**1,940**	1,186
	61,414,791 (31 March 2017 - 32,154,068) units in Kotak Treasury Advantage Fund Direct Plan Growth	**1,734**	849
	Nil (31 March 2017 - 2,092,639) units in Aditya Birla Sun Life Floating Rate Fund-Long Term -Growth Direct Plan	**-**	420
	19,209,450 (31 March 2017 - 18,295,240) units in HDFC Floating Rate Income Fund - Short Term Plan Direct Plan Wholesale Option - Growth Option	**584**	519
	619,140 (31 March 2017 - 273,285) units in DSP BlackRock Money Manager Fund - Direct Plan Growth	**1,479**	610
	482,387 (31 March 2017 - 72,032) units in Axis Treasury Advantage Fund - Direct Growth	**956**	133
	40,007,873 (31 March 2017 - Nil) units in DHFL Pramerica Insta Cash Plus Fund -Direct Plan Growth	**853**	-
	21,702,881 (31 March 2017 - Nil) units in IDFC-Money Manager Fund- Treasury Plan Growth [Direct Plan]	**606**	-
	11,552,036 (31 March 2017 - Nil) units in Aditya Birla Sun Life Banking & PSU Debt Fund Growth Direct Plan	**606**	-
	375,842 (31 March 2017 - Nil) units in HDFC Cash Management Fund - Savings Plan- Direct Plan Growth Option	**1,008**	-
	Nil (31 March 2017 -3,428) units in Reliance Liquid Fund- Direct Growth Plan Growth Option	**-**	8
	18,671 (31 March 2016 - 18,671) Units In Birla sun Life Cash Plus - Growth -Direct Plan	**5**	5
	Nil (31 March 2017 - 10,000,000) units in ICICI Prudential FMP Series 74 - 370 Days Plan X RP Cum	**-**	125
	Nil (31 March 2017 - 2,99,810) units in ICICI Prudential Liquid Plan - Direct - Growth	**-**	72
	175 (31 March 2017 - Nil) units in Religare Invesco Liquid Fund - Direct Plan Growth	**1**	-
	40,880 (31 March 2017 - 33,325) Units in Reliance Mutual Fund - Treasury Plan - Direct Growth Plan - Growth Option	**173**	132
	166,172 (31 March 2017 - 30,274) units in UTI Treasury Advantage Fund - Institutional Plan - Growth	**473**	68
	1,396,574 (31 March 2017 - Nil) in ICICI Prudential - Treasury Plan - Direct Growth Plan - Growth Option	**359**	-
		40,533	21,172

Notes to the consolidated financial statements as at 31 March 2018 *(Contd.)*

(Currency : INR in millions)

		31 March 2018	31 March 2017
10	**Trade receivables (unsecured)**		
	Trade receivables consists of the following :		
	- Considered good	**16,637**	17,453
	- Considered doubtful	**776**	1,104
	Less: Allowance for doubtful receivables	**776**	1,104
		16,637	17,453

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

		31 March 2018	31 March 2017
	Trade receivables includes :		
	Dues from related party (refer note 34)	**13,213**	14,367
	Other receivables	**3,424**	3,086
11	**Cash and cash equivalents**		
	Balance with banks :		
	In current accounts	**606**	1,529
	In EEFC accounts	**60**	358
	In deposits accounts	**1,795**	6,900
	Cheques in hand	**6**	-
	Cash on hand*	**-**	-
	Remittances in transit	**34**	5
	In unpaid dividend accounts	**-**	2
		2,501	8,794

* the amount is below the rounding off limit in million

Deposit accounts include restricted bank balances Rs. 1 held as margin money deposit against guarantee.

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

		31 March 2018	31 March 2017
12	**Other financial assets**		
	Current		
	Unsecured, considered good		
	Income tax refund receivable*	**-**	1,116
	Derivative asset	**7**	237
	Security deposits	**665**	400
	Loans and advances to employees	**295**	278
	Unbilled revenues	**7,105**	5,972
	Interest accrued on mutual funds and fixed deposit	**7**	229
	Advances recoverable in cash or in kind or for value to be received	**1**	3
	Others	**173**	-
	Unsecured, considered doubtful		
	Security deposits	**31**	24
	Less - Provision for doubtful deposits	**(31)**	(16)
		8,253	8,243

*During the previous year, for assessment years 2005-06 to 2009-10, the Assessing Officer had issued an order giving effect to the ITAT's directives. The total amount of refund as per order dated 10 March 2017 is Rs. 2,122 out of which Rs. 1,116 had been received in cash by the Company on 18 April 2017 and balance was adjusted against demands for various assessment years.

		31 March 2018	31 March 2017
13	**Other current assets**		
	Prepaid expenses	**893**	938
	Balances with Government Authorities (GST / Service tax credit receivable)	**969**	484
	Advance to vendors	**389**	189
	Other assets	**-**	174
		2,251	1,785

Notes to the consolidated financial statements as at 31 March 2018 *(Contd.)*

(Currency : INR in millions)

		31 March 2018	31 March 2017
14	**Share capital**		
	Authorised:		
	249,950,000 (31 March 2017 - 243,950,000) equity shares of Rs. 10 each	**2,500**	2,440
	10,800,000 (31 March 2017 - 10,800,000) compulsorily convertible preference shares ('CCPS') of Rs. 10 each	**108**	108
	14,000,000 (31 March 2017 - Nil) 5% 10 year redeemable non-cumulative preference shares of Rs. 10 each	**140**	-
	Issued, subscribed and fully paid up:		
	59,139,500 (31 March 2017 - 59,139,500) equity shares of Rs. 10 each	**591**	591

The authorised equity share capital of the Company has been increased to 249,950,000 equity shares of Rs. 10 each pursuant to amalgamation of Capgemini Solutions Private Limited vide order of National Company Law Tribunal, Mumbai bench dated 24 January 2018.

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

	31 March 2018		31 March 2017	
	Number of shares	**Amount**	Number of shares	Amount
Balance as at the beginning of the year	**59,139,500**	**591**	27,128,234	271
Add: Issued during the year	**-**	**-**	32,011,266	320
Balance as at the end of the year	**59,139,500**	**591**	59,139,500	591

b. Right, preferences and restrictions attached to equity shares

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

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

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

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

	31 March 2018		31 March 2017	
	Number of shares	**Amount**	Number of shares	Amount
Equity shares of Rs. 10 each, fully paid-up, held by				
Capgemini SE, ultimate holding company	**7,090,662**	**71**	7,090,662	71
Capgemini America Inc., subsidiary of Capgemini North America Inc.	**25,487,362**	**255**	25,487,362	255
PAN-Asia Solutions, Mauritius, subsidiary of Capgemini America Inc.	**13,659,959**	**137**	13,659,959	137
Capgemini North America Inc. subsidiary of ultimate holding company	**12,764,378**	**128**	12,764,378	128
Balance as at the end of the year	**59,002,361**	**591**	59,002,361	591

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

	31 March 2018		31 March 2017	
	Number of shares	**% of total shares in the class**	Number of shares	% of total shares in the class
Equity shares of Rs. 10 each, fully paid-up, held by				
Capgemini SE, ultimate holding company	**7,090,662**	**11.99%**	7,090,662	11.99%
Capgemini America Inc., subsidiary of Capgemini North America Inc.	**25,487,362**	**43.10%**	25,487,362	43.10%
PAN-Asia Solutions, Mauritius, subsidiary of Capgemini America Inc.	**13,659,959**	**23.10%**	13,659,959	23.10%
Capgemini North America Inc. subsidiary of ultimate holding company	**12,764,378**	**21.58%**	12,764,378	21.58%

Notes to the consolidated financial statements as at 31 March 2018 *(Contd.)*

(Currency : INR in millions)

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

	31 March 2018 Number of shares	31 March 2017 Number of shares
Equity shares of Rs. 10 each bought back by the Company (see note below)	**2,871,871**	2,871,871
Equity shares of Rs. 10 each issued during the year pursuant to the scheme of amalgamation of IGATE Computer Systems Limited with the Company.	**16,668,969**	16,668,969
Equity shares of Rs. 10 each issued as consideration towards amalgamation of IGATE Information Services Private Limited	**566,758**	566,758

Note:

Buyback

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

Merger of IGATE Computer Systems Limited

During the year ended 31 March 2013 erstwhile IGATE Computer Systems Limited has been merged with the Company pursuant to which 16,668,969 equity shares of Rs.10 each of the Company were allotted to the shareholders of IGATE Computer Systems Limited in the ratio of 5 shares for 22 shares held in the amalgamating company as complete settlement of the purchase consideration.

Merger of IGATE Information Services Private Limited

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

		31 March 2018	31 March 2017
15	**Other non-current financial liabilities**		
	Long term maturities of finance lease obligations (refer note (i))	**22**	49
	Amounts payable under employees stock option plan	**14**	909
		36	958

Notes:

(i) Current maturities of long-term borrowings have been disclosed under 'Other current financial liabilities' (refer note 19).

Lease obligations relate to vehicles purchased under a financing arrangement. The loans are secured by vehicles acquired under such lease arrangements and are repayable in monthly installments over a period of three to five years along with interest ranging from 12.5% to 13.5% p.a. (31 March 2017: 9.75% to 16% p.a.) (refer note 32(a)).

16	**Provisions**		
	Non-current		
	Provision for employee benefits		
	Gratuity (refer note 30(a))	**938**	1,546
	Compensated absences (refer note 30(d))	**2,603**	2,566
	Employee benefits payable	**-**	13
	Other provision		
	Provision for contingencies (refer note (a))	**396**	109
		3,937	4,234
(a)	**Movement in provision for contingencies**		
	Balance as at the beginning of the year	**272**	398
	Additions	**124**	(126)
	Balance as at the end of the year	**396**	272
	Current (refer note 21)	**-**	163
	Non current	**396**	109
		396	272

Provision for contingencies as at balance sheet date is on account of certain service tax related matters on input services amounting to Rs. 396 (31 March 2017 - Rs.272) including current portion of Rs. Nil (31 March 2017 - Rs. 163).The provision is based on best estimate of the liability, as estimated by the Management and cash outflow if any, will depend on the ultimate outcome of the respective litigation.

Notes to the consolidated financial statements as at 31 March 2018 *(Contd.)*

(Currency : INR in millions)

		31 March 2018	31 March 2017
17	**Other non-current liabilities**		
	Lease equalization rent	**457**	500
		457	500
18	**Trade and other payables**		
	Due to micro and small enterprises (refer note 39)	**12**	10
	Due to other than micro and small enterprises	**6,832**	6,414
		6,844	6,424
19	**Other financial liabilities**		
	Current		
	Current maturities of finance lease obligations (refer note 32(a))	**16**	25
	Capital creditors and other payables	**1,518**	1,918
	Unpaid dividends	**-**	2
	Interest accrued under MSMED Act, 2006 (refer note 39)	**32**	24
	Payable for retention money	**240**	20
	Amounts payable under employees stock option plan	**164**	257
	Bonus and incentives	**1,875**	1,801
	Employee benefits payable	**734**	980
		4,579	5,027
20	**Other current liabilities**		
	Unearned revenue	**1,748**	1,128
	Advance from customers	**65**	70
	Lease equalization rent	**49**	98
	Book overdraft	**78**	168
	Statutory dues payables*	**3,120**	2,357
		5,060	3,821
	There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
	*Statutory dues payable comprises of -		
	Value Added Tax payable	**-**	9
	Goods and Services Tax payable	**480**	-
	Tax Deducted at Source payable	**2,147**	1,834
	Provident Fund payable	**441**	463
	Profession Tax payable	**27**	20
	Employees State Insurance payable	**25**	20
	Others	**-**	11
		3,120	2,357
21	**Provisions**		
	Current		
	Provision for employee benefits		
	Compensated absences (refer note 30(d))	**1,279**	1,207
	Other provision		
	For provision for contingencies (refer note 16(a))	**-**	163
		1,279	1,370

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

		31 March 2018	31 March 2017
22	**Revenue from operations**		
A.	Revenue from software operations	**128,462**	119,537
B.	Other operating revenue - Export benefits and other incentives	**85**	167
		128,547	119,704

Revenue from software services includes Rs. 7,026 (previous year Rs. 5,257) towards out of pocket expenses reimbursed by the customers.

		31 March 2018	31 March 2017
23	**Other income, net**		
	Interest on deposits with banks	**169**	903
	Other interest (including interest on income tax refunds)	**15**	469
	Profit on sale of non-current investments	**135**	198
	Profit on sale of branches (refer note 38)	**-**	3,127
	Income on mutual funds	**2,342**	685
	Net gain on foreign currency transactions	**617**	164
	Provisions no longer required written back	**12**	-
	Provision for doubtful trade receivables written back	**328**	11
	Provision for contingencies written back	-	125
	Profit on sale / disposal of assets (net)	**86**	36
	Other non-operating income	**152**	215
		3,856	5,933
24	**Employee benefits expense**		
	Salaries, bonus and incentives	**77,341**	71,154
	Contribution to provident and other funds	**3,273**	3,151
	Retirement benefits expense	**1,090**	977
	Compensated absences	**684**	986
	Employee stock compensation expense (refer note 40)	**310**	588
	Staff welfare expenses	**889**	739
		83,587	77,595
25	**Finance costs**		
	Interest on borrowings	**28**	26
	Interest under MSMED Act, 2006	**7**	2
	Interest on Income Tax	**67**	253
		102	281
26	**Depreciation and amortisation expenses**		
	Depreciation of property, plant and equipment	**4,105**	3,892
	Amortisation of intangible assets	**278**	285
		4,383	4,177
27	**Other expenses**		
	Sub-contracting expenses	**1,662**	2,540
	Repairs and maintenance:		
	- Buildings	**633**	486
	- Computer and network maintenance	**2,157**	1,439
	- Office maintenance	**1,311**	1,147
	- Others	**120**	205
	Rent	**3,451**	3,043
	Rates and taxes	**140**	141
	Insurance	**43**	45
	Power and fuel	**1,378**	1,376
	Advertisement and sales promotion	**35**	65
	Communication	**388**	570
	Travelling and conveyance	**8,238**	7,199
	Legal and professional charges	**702**	722
	Bank charges	**27**	22
	Auditors' remuneration (refer note 37)	**24**	29

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

	31 March 2018	31 March 2017
Merger and reorganisation expenses	**56**	76
Donations	**-**	1
Expenditure towards corporate social responsibility initiatives (refer note 42)	**161**	137
Provision for doubtful trade receivables	**-**	601
Software and hardware expenses	**483**	587
Stationery and printing expenses	**102**	95
Bad trade receivables written off	**319**	29
Provision for contingencies	**124**	-
Group management fee	**793**	885
Training and recruitment	**1,750**	1,422
Directors sitting fees	**1**	1
Miscellaneous expenses	**639**	398
	24,737	23,261

28 Statement of other comprehensive income

		31 March 2018	31 March 2017
(i)	Items that will not be reclassified subsequently to statement of profit and loss		
	Remeasurement gain on defined benefit plans	**1,108**	115
(ii)	Income tax relating to items that will not be reclassified subsequently to statement of profit and loss	**(393)**	(40)
(i)	Items that will be reclassified subsequently to statement of profit and loss		
	Effective portion of gains / (loss) on hedging instruments accounted for as cash flow hedges	**(229)**	174
	Exchange differences on translation of foreign operations	**(111)**	(150)
(ii)	Income tax relating to items that will be reclassified subsequently to statement of profit and loss	**78**	(60)

29 Tax expense

(a) Income tax expense recognised in Statement of Profit and Loss:

	31 March 2018	31 March 2017
1. Current income tax	**4,926**	5,681
2. Deferred income tax		
Deferred tax charge / (credit)	**2,291**	2,979
MAT Credit	**(1,784)**	(2,623)
MAT Credit written off / (written off in earlier year reversed)	**-**	(1,506)
Effect of change in tax rates	**(91)**	-
	416	(1,150)
Tax expense for the year	**5,342**	4,531

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

	31 March 2018			31 March 2017		
	Before tax	**Tax (expense) / benefit**	**Net of tax**	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified subsequently to statement of profit or loss						
Remeasurement gain on defined benefit plans	**1,108**	**(393)**	**715**	115	(40)	75
Items that will be reclassified subsequently to statement of profit or loss						
Effective portion of gains / (loss) on hedging instruments accounted for as cash flow hedges	**(229)**	**78**	**(151)**	174	(60)	114
Exchange differences on translation of foreign operations	**(111)**	**-**	**(111)**	(150)	-	(150)
	768	**(315)**	**453**	139	(100)	39

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

(c) Reconciliation of effective tax rate

	31 March 2018	31 March 2017
Profit before tax	**19,594**	20,323
Tax using the Company's domestic tax rate of 34.61% (for both years)	**6,781**	7,033
Tax effect of:		
Tax effect due to income tax holidays	**(1,608)**	(1,279)
Expenses not deductible for tax purposes	**66**	131
Impact of indexation and lower tax rates on sale of branches/subsidiaries	**(83)**	(475)
Tax effect due to income exempt from tax	**-**	(8)
Income taxes relating to prior years *	**41**	663
Effect of change in tax rates	**(91)**	-
MAT Credit written off / (written off in earlier years reversed)	**-**	(1,506)
Others	**236**	(28)
Total income tax expense	**5,342**	4,531
Effective Tax Rate	**27%**	22%

*Previous year includes tax on account of change in estimate

Under the Indian Income-tax Act, 1961, 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. Profits derived from the export of software services from these 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 from the date of commencement of operations by the respective SEZ units. The impact of tax holiday units resulted in tax benefit of Rs. 1,608 and Rs. 1,279 for current and previous year respectively. This tax relief holiday will begin to expire from March 2023 through 2031.

(d) Income tax assets and liabilities

Income tax assets (net)*	**5,985**	5,805
Income tax liabilities (net)	**1,784**	2,100

* Includes deposits paid under dispute of Rs. 2,794 (31 March 2017 - Rs. 1,887)

(e) Movement in deferred tax balances

	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Acquired in business combinations	Net balance March 31, 2018
Deferred tax liability						
Cash flow hedges	81	-	(78)	-	-	**3**
Deferred tax asset						
Property, plant and equipment and intangible assets	8,804	(1,639)	-	-	-	**7,165**
Provisions - employee benefits	2,036	(88)	(393)	-	-	**1,555**
Provision for doubtful trade receivables	369	(100)	-	-	-	**269**
Merger expenses	232	(39)	-	-	-	**193**
MAT Credit carried forward	4,612	1,793	-	-	-	**6,405**
Others	174	(343)		-	-	**(169)**
	16,227	**(416)**	**(393)**	**-**	**-**	**15,418**
Deferred tax asset (net)	**16,146**	**(416)**	**(315)**	**-**	**-**	**15,415**

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Acquired in business combinations	Net balance March 31, 2017
Deferred tax liability						
Cash flow hedges	21	-	60	-	-	81
Deferred tax asset						
Property, plant and equipment and intangible assets	11,550	(2,781)	-	-	35	8,804
Provisions - employee benefits	2,050	3	(40)	-	23	2,036
Provision for doubtful trade receivables	228	141	-	-	-	369
Business losses and unabsorbed depreciation carried forward	307	(307)	-	-	-	-
Merger expenses	294	(62)	-	-	-	232
MAT credit carried forward	483	4,129	-	-	-	4,612
Others	119	27	-	-	28	174
	15,031	1,150	(40)	-	86	16,227
Deferred tax asset (net)	15,010	1,150	(100)	-	86	16,146

The Group offsets tax assets and liabilities if, and only if, it has a legally enforceable right to set off tax liabilities against tax assets. The Group has tax losses which arose in India of Rs. 132 (31 March 2017 - Rs.145) that are available for offset against future taxable profits.

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

As at 31 March 2018, deferred tax liability amounting to Rs. 13 (31 March 17 –Rs. 27) in respect of temporary difference arising on account of undistributed earnings of the Company's subsidiaries has not been provided as management believes that a dividend distribution is not expected in the foreseeable future

MAT credit

During the year ended 31 March 2016, the Company has impaired MAT credit amounting to Rs. 1,506 based on management's assessment of non-recoverability of the same within the time limit specified as per the provisions of section 115JAA of the Income Tax Act, 1961.

Pursuant to Finance Act 2017, effective 1 April 2017, the time limit for recoverability of MAT credit has been extended from 10 years to 15 years from the date of payment. Basis this revision, the expiry dates of prior years' MAT credit is extended for an additional period of 5 years. Based on this, management is of the view that the Company will be able to utilise those MAT credit of Rs. 1,506 which was impaired in the previous year ended 31 March 2016. Hence, the MAT credit impaired in the year ended 31 March 2016 has been restated during the year ended 31 March 2017.

Based on projections re-evaluated at the year end, Management believes that it would be in a position to utilise entire MAT credit within the time limits of 15 years prescribed under section 115JAA of the Income-tax Act, 1961.

30 Employee benefit plans

(a) *Gratuity benefits*

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

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

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

		31 March 2018	31 March 2017
Amount to be recognised in Balance Sheet			
Present value of defined benefit obligation		**4,621**	4,814
Fair value of plan assets		**(3,683)**	(3,268)
Net Liability		**938**	1,546
Amounts in the Balance Sheet			
Liabilities			
Current		**-**	-
Non-current		**938**	1,546
Present Value of defined benefit obligation			
Projected benefit obligation at the beginning of the year		**4,814**	3,948
Projected benefit obligation assumed on amalgamation (refer note 45)		**4**	80
Current service cost		**1,001**	881
Past service cost		**10**	-
Interest cost		**299**	285
Benefits paid		**(436)**	(347)
Actuarial (gains) / losses		**(1,071)**	(33)
Projected benefit obligation at the end of the year	**(A)**	**4,621**	4,814
Fair Value of plan asset			
Fair Value of plan assets at beginning of the year		**3,268**	2,578
Fair Value of plan assets assumed on amalgmation (refer note 45)		**8**	82
Contributions by employer		**594**	684
Expected return		**220**	190
Actuarial gains		**29**	81
Benefits paid		**(436)**	(347)
Fair Value of plan assets at end of the year	**(B)**	**3,683**	3,268
Amount recognised in Balance Sheet	**(A-B)**	**938**	1,546
Included in OCI			
Opening amount recognised in OCI outside Statement of Profit and Loss		**(243)**	(97)
OCI assumed on amalgamation (refer note 45)		**-**	(32)
Demographic assumptions		**(1)**	-
Financial assumptions		**(576)**	12
Experience adjustment		**(494)**	(46)
Return on plan assets excluding interest income		**(30)**	(80)
		(1,344)	(243)
Expense recognised in Statement of Profit and Loss			
Current service cost		**1,001**	881
Past Service cost		**10**	-
Interest cost		**299**	285
Expected return on plan assets		**(220)**	(190)
Total included in "Employee benefit expenses" (refer note 24)		**1,090**	977
Return on plan assets			
Expected return on plan assets		**220**	190
Actuarial gain		**29**	81
Actual return on plan assets		**249**	271

The Company provides the gratuity benefit through annual contributions to a fund managed by a trust. Under this plan, the settlement obligation remains with the Company, although the trust administers the plan and determines the contribution required to be paid by the Company. The trust has invested the plan assets in the Insurer managed funds. The expected rate of return on plan assets is based on the expectation of the average long term rate of return expected on investments of the funds during the estimated term of the obligation. Expected contributions to the fund post 31 March 2019 is Rs. 751.

Category of Assets	**%**	%
Government debt instruments	**3%**	4%
Insurer managed funds	**96%**	95%
Others	**1%**	1%

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

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

Salary escalation rate	**5%-7%**	6%
Discount rate	**7.55% p.a.**	6.75% p.a
Expected rate of return on plan assets	**7.55% p.a**	6.75% p.a

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

Sensitivity analysis

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

As of March 31, 2018, every 0.5 percentage point increase / (decrease) in discount rate will result in (decrease) / increase of gratuity benefit obligation by approximately Rs. (48) and Rs. 51 respectively.

As of March 31, 2018 every 0.5 percentage point increase/ (decrease) in expected rate of salary will result in increase / (decrease) of gratuity benefit obligation by approximately Rs. 51 and Rs. (49) respectively.

The Defined Benefit Obligation shall mature after year ended March 31, 2018 as follows -

Expected benefit payments are as follows:

2019	**674**
2020	**624**
2021	**609**
2022	**580**
2023	**515**
thereafter	**5,469**

(b) ***Pension benefits***

Prepayment of pension liability

Certain employees who have elected to continue under the defined benefit scheme are entitled to a pension on retirement subject to vesting conditions of 45 years of age and 15 years of service. In the event of earlier cessation of employment a deferred pension is payable from the normal retirement date. Employee who retires from the service of the Company is entitled to a pension at the rate of 2% of pensionable Salary, "PENSAL" (last drawn Basic Salary plus Variable Pay, limited to 20% for eligible managers) for each year of management service, subject to a maximum of 70% of PENSAL. Pension as determined above is payable for a period of 15 years certain and thereafter during the lifetime of the Member. On his/her death in retirement or whilst in service, 66 - 213% of Member's pension is payable to the spouse during her/ his lifetime.

		31 March 2018	31 March 2017
Amount recognised in balance sheet			
Present value of defined benefit obligation		**16**	20
Fair value of plan assets		**(45)**	(38)
Amount not recognised as an asset (limit in para 64b)		**10**	6
Net liability / (asset)		**(19)**	(12)
Assets			
Current		**-**	-
Non-current		**19**	12
Present Value of Defined Benefit Obligation			
Projected benefit obligation at the beginning of the year		**20**	30
Current Service Cost		**1**	1
Interest cost		**1**	2
Actuarial losses / (gains)		**(3)**	-
Benefits paid		**(3)**	(12)
Projected benefit obligation at the end of the year	**(A)**	**16**	20

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

		31 March 2018	31 March 2017
Fair Value of Plan Assets			
Fair Value of plan assets at beginning of the year		**38**	45
Expected return		**2**	3
Actuarial Gains		**7**	1
Contributions by the Company		**-**	1
Benefits paid		**(3)**	(12)
Fair Value of plan assets at end of the year	**(B)**	**45**	38
Amount not recognised as an asset (limit in para 64b)	**(C)**	**10**	6
Amount recognised in Balance Sheet	**(A-B+C)**	**(19)**	(12)
Opening value of asset ceiling		**6**	5
Interest on opening balance of asset ceiling		**1**	1
Remeasurements due to:			
Change in surplus/ deficit		**3**	-
Closing value of asset ceiling		**10**	6
Included in OCI			
Opening amount recognised in OCI outside Statement of Profit and Loss		**(2)**	(1)
Remeasurement loss / (gain):			
Adjustments to recognise the effect of asset ceiling		**3**	-
Financial assumptions		**(1)**	1
Experience adjustment		**(3)**	(1)
Return on plan assets excluding interest income		**(7)**	(1)
		(10)	(2)
Expense recognised in Statement of Profit and Loss			
Current Service Cost		**1**	1
Interest cost		**1**	2
Expected return on plan assets		**(2)**	(3)
Total included in "Employee benefits expense" (refer note 24)		**-**	-
Return on plan assets			
Expected return on plan assets		**2**	3
Actuarial gain		**7**	1
Actual return on plan assets		**10**	4
Category of Assets		**%**	%
Insurer Managed Funds		**100%**	100%
The principal assumptions used in determining pension are shown below:			
Discount rate (p.a)		**7.55% p.a**	6.75% p.a
Expected rate of return on plan assets		**7.55% p.a**	6.75% p.a
Salary escalation rate		**6%**	6%

(i) **Discount Rate:**

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

(ii) **Salary Escalation Rate:**

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

Sensitivity analysis

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

As of March 31, 2018, every 0.5 percentage point increase / (decrease) in discount rate will result in (decrease) / increase of pension obligation by approximately Rs. (0.6) and Rs. 0.6 respectively.

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

Expected benefit payments are as follows:

2019	**1**
2020*	**-**
2021*	**-**
2022*	**-**
2023*	**2**
thereafter	**26**

*below rounding off

(c) *Provident fund*

a) Defined Contribution Plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, which is a defined contribution plan. The Company has no obligation other than to make the specified monthly contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as an expense towards contribution to provident fund for the year aggregated to Rs. 601 (31 March 2017 Rs. 701).

b) Defined Benefit Plan

Pursuant to the amalgamation of Capgemini India Private Limited (CIPL) with the Company, eligible employees of CIPL continue to receive benefits from a provident fund, which is a defined benefit plan and is administered by the Company managed Trust. During the current year, CSPL has been amalgamated with the Company w.e.f 1 December 2016 (refer note 45) and the employees of CSPL are also part of the trust. The Company and its employees contribute each month to a Provident Fund equally at a specified rate of basic salary of each employee. The Company contributed Rs. 2,672 (31 March 2017 Rs. 2,333) towards provident fund during the year out of which Rs. 1,621 (31 March 2017 Rs. 1,467) was contributed to employer managed PF trust and the remaining amount of Rs. 1,051 (31 March 2017 Rs. 866) was paid to the Central Government towards pension, as required by the PF Rules.

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

The interest rate payable by the trust to the beneficiaries is regulated by the statutory authorities. The Company has an obligation to make good the shortfall, if any, between the returns from its investments and the administered rate. The actuary has accordingly carried out a valuation which determined the shortfall towards such interest liability to be nil.

	31 March 2018	31 March 2017
Amount to be recognised in Balance Sheet		
Present value of defined benefit obligation	**27,297**	22,813
Fair value of plan assets	**(27,297)**	(22,813)
Net Liability	-	-
Amounts in the Balance Sheet		
Liabilities		
Current	-	-
Non-current	-	-
Included in OCI		
Opening amount recognised in OCI outside Statement of Profit and Loss	**-**	-
Remeasurement loss (gain):	**-**	-
Actuarial loss (gain) arising from:	**-**	-
Demographic assumptions	**-**	-
Financial assumptions	**-**	-
Experience adjustment	**486**	240
Return on plan assets excluding interest income	**(486)**	(240)
Closing amount recognised in OCI outside Statement of Profit and Loss	**-**	-
Present Value of Defined Benefit Obligation		
Projected benefit obligation at the beginning of the year	**22,813**	18,257
Current Service Cost	**1,621**	1,467
Interest cost	**1,608**	1,493
Actuarial Losses / (Gains)	**486**	240

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

		31 March 2018	31 March 2017
Employees contribution		**2,614**	2,297
Liabilities assumed on acquisition/ (settled on divestiture)		**(632)**	152
Benefits paid		**(1,213)**	(1,093)
Projected benefit obligation at the end of the year	**(A)**	**27,297**	22,813
Fair Value of Plan Assets			
Fair Value of plan assets at beginning of the year		**22,813**	18,257
Expected return		**1,608**	1,493
Actuarial Gains		**486**	240
Employer contribution during the year		**1,621**	1,467
Employee contribution during the year		**2,614**	2,297
Assets acquired on acquisition/ (settled on divestiture)		**(632)**	152
Benefits paid		**(1,213)**	(1,093)
Fair Value of plan assets at end of the year	**(B)**	**27,297**	22,813
Amount recognised in Balance Sheet	**(A-B)**	**-**	-
Expense to be recognised in Statement of Profit and Loss			
Current service cost		**1,621**	1,467
Interest cost		**1,608**	1,493
Expected return on plan assets		**(1,608)**	(1,493)
Total		**1,621**	1,467
Return on plan assets			
Expected return on plan assets		**1,608**	1,493
Actuarial gains		**486**	240
Actual return on plan assets		**2,095**	1,733
Category of Assets			
Government of India securities		**35%**	31%
Corporate bonds		**54%**	60%
Equity shares of listed companies		**4%**	4%
Others		**7%**	5%
		100%	100%
The principal assumptions used in determining the provident fund are shown below:			
Discount rate		**7.55%**	6.75%
Expected rate of return on plan assets		**8.99%**	8.64%
Discount rate for the remaining term to maturity of investment		**7.73%**	7.27%
Average historic yield on the investment		**9.17%**	9.16%
Guaranteed rate of return		**8.55%**	8.65%

Sensitivity analysis

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

As of March 31, 2018, every 1 percentage point increase / (decrease) in discount rate will result in (decrease) / increase of provident fund obligation by approximately Rs. 233 and Rs. 832 respectively.

(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 2018	31 March 2017
Current provisions (refer note 21)	**1,279**	1,207
Non-current provisions (refer note 16)	**2,603**	2,566
	3,882	3,773
Actuarial Assumptions		
Discount rate	**7.55% p.a.**	6.75% p.a
Salary escalation rate	**5%-7%**	6%
Attrition rates		
Age (years)		

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

21-25	**18.33%**	18.5%
26-30	**28.87%**	28.9%
31-35	**20.47%**	20.7%
36-40	**13.67%**	14.0%
41-59	**9.63%**	10.1%

31 Segment reporting

The Group's operations predominantly relate to providing Information Technology ('IT') services, IT Enabled services, and business process outsourcing services delivered to customers globally through an onsite / offshore model. The Group considers all of these services to be relating to one segment i.e. IT enabled services. The Group has evaluated its service offerings and has concluded that the risks and rewards of all these services are identical. Accordingly, the Board of Directors and the Chief Executive Officer of the Group review the performance of the Group as one primary business segment i.e. IT and IT- enabled operations, solutions and services. Secondary segment reporting is performed on the basis of the geographical segmentation as the Group operates in various countries.

The Group's geographic segmentation is based on the location of customers. Revenue in relation to geographic segments is categorised based on the location of the specific customer entity for which services are rendered, irrespective of the customer entity that is billed for the services and whether the services are delivered onsite or offshore. Categorisation of customer related assets in relation to geographic segments is based on the location of the specific customer entity which is billed for the services. Costs are not specifically allocable to individual segments as the underlying resources and services are used interchangeably. The Group has common fixed assets for development of software. Fixed assets used in the Group's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments.

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

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

	31 March 2018	31 March 2017
Revenue		
- India	**17,060**	15,725
- Europe	**52,234**	47,450
- America	**52,415**	49,749
- Rest of the world	**6,838**	6,780
	128,547	119,704
Segment assets		
Trade receivables (excluding allowance for doubtful receivables)		
- India	**3,469**	2,877
- Europe	**7,374**	7,275
- America	**4,867**	6,168
- Rest of the world	**1,703**	2,237
	17,413	18,557
Unbilled revenue		
- India	**3,069**	3,056
- Europe	**1,755**	1,287
- America	**1,658**	974
- Rest of the world	**623**	655
	7,105	5,972
Segment liabilities		
Unearned revenue		
- India	**565**	383
- Europe	**520**	365
- America	**496**	169
- Rest of the world	**167**	211
	1,748	1,128

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

	31 March 2018	31 March 2017
Advances from customers		
- India	**31**	55
- Europe	**17**	3
- America	**5**	2
- Rest of the world	**12**	10
	65	70

32 Leases

(a) Finance lease: Group as lessee

The Group has acquired motor vehicles under finance leases, for which the future minimum lease payments are as follows:

Total minimum lease payments at the year end	**47**	95
Less: amounts representing finance charges	**9**	21
Present value of minimum lease payments	**38**	74
Minimum lease payments:		
Within one year (present value of Rs. 16 (31 March 2017 Rs. 25)	**21**	35
After one year but not more than five years (present value of Rs. 22 (31 March 2017 Rs. 49)	**26**	60
	47	95

(b) Operating lease: Group as lessee

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

Contractual payments under non-cancellable operating leases are as follows:		
i) Lease payments (including service charges) recognised in the Statement of Profit and Loss	**3,451**	3,043
ii) Total Future minimum lease payments under the non - cancellable operating leases :		
Not later than one year	**2,273**	3,212
Later than one year but not later than five years	**4,367**	6,633
Later than five years	**834**	1,407
	7,474	11,252

33 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

	31 March 2018	31 March 2017
(A) Profit attributable to equity shareholders	**14,252**	15,795
(B) Weighted average number of equity shares in calculating basic EPS (nos.)	**59,139,500**	59,139,500
(C) Weighted average number of equity shares in calculating diluted EPS (nos.)	**59,139,500**	59,139,500
Basic earning per share of face value of Rs.10/- each (A/B)	**240.99**	267.08
Diluted earning per share of face value of Rs.10/- each (A/C)	**240.99**	267.08

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

34 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

Holding companies

Capgemini SE, the Ultimate Holding Company, holds 7,090,662 equity shares i.e.11.99% of the equity share capital of the Company

Capgemini America Inc., subsidiary of Capgemini North America Inc., holds 25,487,362 equity shares i.e.43.10% of the equity share capital of the Company

PAN-Asia Solutions, Mauritius, subsidiary of Capgemini America Inc., holds 13,659,959 equity shares i.e. 23.10% of the equity share capital of the Company

Capgemini North America Inc, a subsidiary of the ultimate holding company, holds 12,764,378 equity shares i.e. 21.58% of the equity share capital of the Company

Joint Venture

Thesys Technologies LLC (till 6 July 2017)

Other related parties

Key Management Personnel

Srinivasa Rao Kandula - Managing director (w.e.f. 4 May 2017)
Sujit Sircar - Director (till 24 Oct 2017) and Chief Financial Officer (w.e.f 25 July 2018)
Aruna Jayanthi - Executive director (w.e.f. 4 May 2017)
Ashwin Yardi - Executive director (w.e.f. 4 May 2017)
Ritesh Talapatra - Executive director (w.e.f. 11 Aug 2017)
Mukund Srinath - Company Secretary (till 7 March 2017)
Armin Billimoria - Company Secretary (w.e.f. 7 March 2017)
Michel Ginet - Legal Finance Director (till 31 March 2017)
Nagesh Kumar M – Chief Financial officer (till 4 May 2017)
Karine Marchat - Director (w.e.f 11 August 2017) and Chief Financial Officer (w.e.f 4 May 2017 till 25 July 2018)

Employee benefit trusts where control exists

Capgemini India Pvt. Ltd. Employees' Provident Fund
Capgemini Business Services (I) Ltd EPF Trust
Capgemini India Private Limited Employees' Benevolent Fund
Capgemini India Employees Gratuity Fund Trust
Capgemini Business Services (India) Limited Employees Group Gratuity Assurance Scheme
Capgemini Business Services (India) Limited Super Annuation Scheme
IGATE Computer Systems Limited Employees' Gratuity Fund
AXA Technologies Shared Services Private Limited Employees Gratuity Trust

Fellow subsidiaries

Backelite SAS
Capgemini (China) Co. Ltd.
Capgemini (Hangzhou) Co Ltd
Capgemini Argentina, S.A.
Capgemini Australia Pty. Ltd.
Capgemini Belgium NV/S.A.
Capgemini BST S.P.A.
Capgemini Business Services (China) Limited
Capgemini Business Services Brasil – Assessoria Empresarial Ltda
Capgemini Business Services Chile Ltda
Capgemini Business Services Guatemala SA
Capgemini Business Services USA LLC
Capgemini Brasil S.A.
Capgemini Canada Inc.

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

Capgemini Colombia SAS
Capgemini Consulting Österreich AG
Capgemini Consulting S.A.S.
Capgemini Czech Republic s.r.o
Capgemini Deutschland GmbH
Capgemini Deutschland Holding GmbH
Capgemini Educational Services B.V.
Capgemini España S.L.
Capgemini Financial Services International Inc.
Capgemini Financial Services UK Ltd
Capgemini Financial Services UK Ltd - South Africa branch
Capgemini Finland Oy
Capgemini France S.A.S.
Capgemini Gouvieux S.A.S
Capgemini Government Solutions LLC
Capgemini Hong Kong Ltd.
Capgemini Italy SPA
Capgemini Ireland Ltd
Capgemini Japan KK
Capgemini Kunshan Co. Ltd
Capgemini Magyarorszag Kft.
Capgemini Mexico S. de R.L
Capgemini Middle East FZ-LLC
Capgemini Nederland BV
Capgemini Norge A/S
Capgemini Outsourcing Services GmbH
Capgemini Outsourcing Services S.A.S.
Capgemini Philippines SBOS
Capgemini Polska Sp. z.o.o
Capgemini Portugal, Serviços de Consultoria e Informatica, S.A.
Capgemini Saudi Limited
Capgemini Schweiz AG, Outsourcing services
Capgemini Service Romania s.r.l.
Capgemini Service S.A.S.
Capgemini Services Malaysia Sdn Bhd
Capgemini Singapore Pte. Ltd.
Capgemini Singapore Pte. Ltd. - Abu Dhabi Branch
Capgemini Singapore Pte. Ltd. - Dubai Branch
Capgemini Slovensko s.r.o.
Capgemini Sogeti Danmark A/S
Capgemini Solutions Canada Inc
Capgemini Suisse S.A.
Capgemini Sverige AB
Capgemini Technologies LLC
Capgemini Technology Services
Capgemini UK Plc
Capgemini Vietnam Co. Ltd
CHCSS Services Inc
IGATE Global Solutions USA
IGATE Technologies Canada Inc.,
IGATE Technologies Inc. (till 1 July 2016)
Inergi LP
Itelios SAS

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

New Horizon System Solutions LP
Prosodie SA
Societe en Commandite Capgemini Quebec Limited Partnership
Sogeti Belgium S.A.
Sogeti Corporate Services S.A.S.
Sogeti Deutschland Gmbh
Sogeti Finland Oy
Sogeti France S.A.S.
Sogeti High Tech S.A.S.
Sogeti Luxembourg S.A.
Sogeti Nederland BV
Sogeti Norge AS
Sogeti Suisse SA
Sogeti Sverige AB
Sogeti UK Ltd
Sogeti USA LLC

		31 March 2018	31 March 2017
	Related party transactions		
a)	**Revenues from operations**		
	Capgemini America Inc	**46,793**	17,205
	IGATE Technologies Inc.,	**-**	12,174
	Others	**60,004**	66,023
b)	**Expense incurred by the Group on behalf of**		
	Capgemini Service S.A.S.	**195**	83
	Capgemini America Inc.	**12**	16
	Others	**58**	59
c)	**Expenses cross charged**		
	Capgemini Service S.A.S.	**1,173**	1,186
	Capgemini SE	**545**	452
	Capgemini America Inc.	**221**	748
	Capgemini UK Plc	**254**	369
	Others	**694**	721
d)	**Subsidiaries sold during the year**		
	Capgemini Singapore Pte. Ltd. (sale of IGATE Singapore Pte. Ltd.)	**606**	-
	Capgemini America Inc. (sale of IGATE Global Solutions Mexico S.A. de C.V)	**-**	102
	Capgemini Deutschland GmBH (sale of IGATE Computer Systems GmbH)	**-**	655
e)	**Branches transferred during the year**		
	Capgemini Nederland BV (sale of Netherland branch)	**-**	26
	Capgemini Belgium (sale of Belgium branch)	**-**	10
	Capgemini Sweden (sale of Sweden branch)	**-**	68
	Capgemini Schweiz AG (sale of Switzerland branch)	**-**	2,920
	Capgemini Japan (sale of Japan branch)	**-**	114
	Capgemini Australia (sale of Australia branch)	**-**	782
f)	**Share capital issued during the year**		
	Capgemini America Inc.	**-**	249
	Capgemini SE	**-**	71

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

		31 March 2018	31 March 2017
g)	**Contribution to employee benefit funds**		
	Capgemini India Employees Gratuity Fund Trust	**543**	654
	Capgemini Business Services (India) Limited Employees Group Gratuity Assurance Scheme	**51**	33
h)	**Remuneration**		
	Managing Director	**21**	-
	Chief Financial Officer	**28**	52
	Directors	**64**	34
	Others	**4**	25
i)	**Employee stock compensation expense**		
	Managing Director	**91**	-
	Chief Financial Officer	**-**	25
	Directors	**59**	108
	Others	**-**	22
	Balances outstanding		
a)	**Trade receivables**		
	Capgemini America Inc.	**4,102**	2,826
	Others	**9,111**	11,541
b)	**Unbilled revenue**		
	Capgemini America Inc.	**1,349**	259
	Capgemini Australia Pty Ltd	**354**	248
	Others	**1,928**	1,654
c)	**Other current financial assets**		
	Salary recoverable	**173**	-
d)	**Other current assets**		
	Capgemini India Employees Gratuity Fund Trust	**6**	-
	Capgemini Business Services (India) Limited Employees Group Gratuity Assurance Scheme	**1**	-
e)	**Trade payables**		
	Capgemini SE	**-**	525
	Capgemini North America Inc.	**-**	655
	Capgemini Service S.A.S.	**381**	501
	Capgemini UK Plc	**238**	**-**
	Capgemini Singapore Pte. Ltd.	**221**	101
	Capgemini America Inc.	**227**	17
	Others	**226**	503
f)	**Amounts payable under employee stock option plan**		
	Capgemini SE	**-**	733
g)	**Unearned Revenue**		
	Capgemini Service SAS	**147**	83
	Capgemini UK Plc	**135**	61
	Capgemini America Inc.	**406**	61
	Capgemini Nederland BV	**43**	49
	Others	**292**	209
h)	**Advances from customers**		
	Capgemini America Inc.	**16**	-

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

The Group has the following related party transactions for the year ended 31 March 2018 and 31 March 2017

Transactions	Holding Company		Fellow subsidiaries		Key Management Personnel		Employee benefit funds where control exists	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017
Revenues from operations	**46,793**	17,376	**60,004**	78,026	-	-	-	-
Expense incurred by the Group on behalf of	**12**	16	**253**	142	-	-	-	-
Expenses cross charged	**766**	1,201	**2,121**	2,275	-	-	-	-
Subsidiaries sold during the year	-	102	**606**	655	-	-	-	-
Branches sold during the year	-	-	-	3,920	-	-	-	-
Share capital issued during the year	-	320	-	-	-	-	-	-
Contribution to employer benefit funds	-	-	-	-	-	-	**594**	687
Key managerial personnel								
- Remuneration	-	-	-	-	**117**	111	-	-
- Employee stock compensation expense	-	-	-	-	**150**	155	-	-

The Group has the following related party balances for the year ended 31 March 2018 and 31 March 2017

Balances outstanding	Holding Company		Fellow subsidiaries		Key Management Personnel		Employee benefit funds where control exists	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017
Trade receivables	**4,102**	2,867	**9,111**	11,500	-	-	-	-
Unbilled revenue	**1,349**	286	**2,282**	1,875	-	-	-	-
Other current financial assets	**-**	-	-	-	**173**	-	-	-
Other current assets	**-**	-	-	-	-	-	**7**	-
Trade payables	**227**	1,281	**1,066**	1,021	-	-	-	-
Amounts payable under employee stock option plan	**-**	733	**-**	-	-	-	-	-
Unearned Revenue	**406**	61	**617**	402	-	-	-	-
Advance from customers	**16**	**-**	-	-	-	-	-	-

35 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

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

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

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

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

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

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 2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	2,501	2,501	-	-	-	-
Current investments	40,533	-	-	40,533	40,533	-	-	40,533
Trade and other receivables	-	-	16,637	16,637	-	-	-	-
Other non-current financial asset	-	-	1,361	1,361	-	-	-	-
Other current financial asset	1	6	8,246	8,253	-	7	-	7
	40,534	6	28,745	69,285	40,533	7	-	40,540
Financial liabilities								
Other non current financial liabilities	-	-	36	36	-	-	-	-
Trade and other payables	-	-	6,844	6,844	-	-	-	-
Other current financial liabilities	-	-	4,579	4,579	-	-	-	-
	-	-	11,459	11,459	-	-	-	-

31 March 2017	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	8,794	8,794	-	-	-	-
Current investments	21,172	-	-	21,172	21,172	-	-	21,172
Trade and other receivables	-	-	17,453	17,453	-	-	-	-
Other non-current financial asset	-	-	1,419	1,419	-	-	-	-
Other current financial asset	2	235	8,006	8,243	-	237	-	237
	21,174	235	35,672	57,081	21,172	237	-	21,409
Financial liabilities								
Other non current financial liabilities	-	-	958	958	-	-	-	-
Trade and other payables	-	-	6,424	6,424	-	-	-	-
Other current financial liabilities	-	-	5,027	5,027	-	-	-	-
	-	-	12,409	12,409	-	-	-	-

(1) Assets that are not financial assets (such as receivables from statutory authorities, export benefit receivables, prepaid expenses, advances paid and certain other receivables) amounting to Rs. 26,217 and Rs. 26,462 as of March 31, 2018 and March 31, 2017 respectively, are not included.

(2) Other liabilities that are not financial liabilities (such as statutory dues payable, deferred revenue, advances from customers and certain other accruals) amounting to Rs. 12,517 and Rs. 12,025 as of March 31, 2018 and March 31, 2017, respectively, are not included

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

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 2018 and 31 March 2017, there have been no transfers of financial instruments between Level 1 or Level 2 or Level 3 fair value measurements.

C. Financial risk management

The Group 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 intercompany for which it does not foresee any credit risk.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. Out of the total trade and other receivables of Rs. 17,413 and Rs. 18,557 as of 31 March 2018 and 31 March 2017 , the Group has receivables which are past due and impaired as detailed below -

	31 March 2018	31 March 2017
Balance at the beginning of the year	**1,104**	514
Impairment loss recognised	**-**	601
Impairment provision written back	**(328)**	(11)
Balance at the end of the year	**776**	1,104

Others

Credit risk of the Group on cash and cash equivalents and investments is subject to low credit risk since the investments of the Group are only in liquid debt securities with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Counter parties to foreign currency forward contracts are typically multinational and domestic banks with appropriate market reputation.

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

31 March 2018	Contractual cash flows		
	Carrying amount	Within one year	One year but not more than five years
Non current financial liabilities	36	-	36
Current financial liabilities	4,579	4,579	-
Trade and other payables	6,844	6,844	-

31 March 2017	Contractual cash flows		
	Carrying amount	Within one year	One year but not more than five years
Non current financial liabilities	958	-	958
Current financial liabilities	5,027	5,027	-
Trade and other payables	6,424	6,424	-

iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The group is exposed to market risk primarily related to foreign exchange rate risk and market value of its investments. The exposure to market risk is a function of investing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

The currency profile of financial assets and financial liabilities as at 31 March 2018 and 31 March 2017 is as below:

Foreign currency exposures as on 31 March 2018

Particulars	Cash and cash equivalents	Trade receivables	Other non current financial liabilities	Trade Payables	Other financial liabilities
USD	59	1,329	14	268	164
EUR	1	154	-	480	-
SGD	-	1	-	222	-
JPY	-	167	-	-	-
GBP	-	3	-	279	-
CAD	-	-	-	6	-
AUD	-	9	-	31	-
MYR	-	-	-	-	-
CHF	-	2	-	-	-
SEK	-	-	-	20	-
CNY	-	-	-	2	-
DKK	-	-	-	-	-
MXN	-	-	-	23	-
AED	-	851	-	9	-
PLN	-	-	-	2	-
HKD	-	-	-	9	-
OMR	-	169	-	-	-
HUF	-	-	-	-	-

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

Foreign currency exposures as on 31 March 2017

Particulars	Cash and cash equivalents	Trade receivables	Other non current financial liabilities	Trade Payables	Other financial liabilities
USD	224	1,459	176	928	257
EUR	36	28	733	438	-
SGD	2	-	-	20	-
JPY	-	83	-	105	-
GBP	61	19	-	166	-
CAD	-	4	-	2	-
AUD	9	64	-	1	-
MYR	-	6	-	3	-
CHF	6	21	-	4	-
SEK	-	-	-	(1)	-
CNY	-	-	-	2	-
DKK	-	-	-	-	-
MXN	-	-	-	5	-
AED	-	-	-	2	-
PLN	-	-	-	3	-
HKD	-	-	-	-	-
OMR	-	132	-	-	-
HUF	-	-	-	1	-

As at March 31, 2018 and March 31, 2017 every 1% increase / decrease in exchange rates of the respective foreign currencies compared to functional currency of the group would result in increase / decrease in profit of the group by approximately Rs. 12 and Rs.7 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 periods 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 2018 and 31 March 2017.

Category	31 March 2018		31 March 2017	
	In million	In Rs. million	In million	In Rs. million
Forward contracts				
Hedges of recognized assets and liabilities				
OMR/INR	**-**	**-**	-	36
USD/INR	**11**	**726**	8	520
Hedges of highly probable forecasted transactions				
USD/INR	**83**	**5,518**	91	6,044
		6,244		6,600

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 2018	31 March 2017
Forward contracts in USD		
Not later than one month	**1,249**	1,171
One to 6 months	**2,978**	2,636
6-12 months	**2,017**	2,757
	6,244	6,564
Forward contracts in OMR		
Not later than one month	**-**	-
One to 6 months	**-**	36
6-12 months	**-**	-
	-	36

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

The following table provides the reconciliation of cash flow hedge reserve for the year ended 31 March 2018 and 31 March 2017:

	31 March 2018	31 March 2017
Balance at the beginning of the year	**153**	39
Gain / (Loss) recognised in other comprehensive income during the year	**(21)**	275
Amount reclassified to Statement of Profit and Loss during the year	**(208)**	(101)
Tax impact on above	**78**	(60)
Balance at the end of the year	**2**	153

36 Contingent liabilities and commitments

	31 March 2018	31 March 2017
(a) Capital Commitments		
Estimated value of contracts on capital account remaining to be executed (net of advances Rs. 799, 31 March 2017 Rs. 1,269)	**7,081**	5,304
(b) Contingent liabilities		
Claims not acknowledged as debt	**38**	20

37 Auditors' remuneration

	31 March 2018	31 March 2017
Statutory audit	**17**	24
Tax audit	**3**	3
Other services	**2**	1
Out of pocket expenses	**2**	1
	24	29

38 Sale of branches

During the previous year, the Group transferred ownership of certain of its branches to its fellow subsidiaries. The total consideration received by the group is Rs. 3,920 and gain recognised is Rs. 3,127 (refer note 23)

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

The Group has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31 March 2018 and 31 March 2017. The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the micro and small enterprises should mention in their correspondence with its customers the entrepreneur's memorandum number as allocated after filing of the memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at 31 March 2018 has been made in the financial statements based on the information received and available with the Group.

	31 March 2018	31 March 2017
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	**12**	10
- Interest	**1**	1
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**179**	151
The amount of interest accrued and remaining unpaid at the end of each accounting year	**32**	24
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	**6**	4

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)* *(Currency : INR in millions)*

40 Employee stock compensation plans

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

Pursuant to the acquisition of IGATE Corporation by Capgemini SE, the Group's Performance Share Awards were converted into performance units issued by Capgemini SE, the ultimate holding company with effect from 1 July 2015. The other plans of the Company have been converted into cash settled incentives. Although the share based awards are issued and administered by Capgemini SE, the Company is required to settle the obligation to the employee directly in cash. The features of the performance shares plan are set out below:

Particulars	2015 Plan	
	31 March 2018	31 March 2017
Vesting period	**One, two or three years for the market condition and three years for the internal condition**	One, two or three years for the market condition and three years for the internal condition
Vesting schedule *	**25% of the units on 1 July 2016, 1 July 2017 and 1 July 2018 subject to presence and market performance conditions and 25% of the units on 1 July 2019 subject to presence and internal performance conditions**	25% of the units on 1 July 2016, 1 July 2017 and 1 July 2018 subject to presence and market performance conditions and 25% of the units on 1 July 2019 subject to presence and internal performance conditions
Total number of units granted as at opening date	**23,086**	37,118
Units vested	**2,539**	5,011
Units forfeited or canceled during the year **	**3,232**	9,021
Total number of units as at closing date	**17,315**	23,086
Fair value on grant date (in Euros)	**56.3**	56.3

* Units vesting in the first three years are subject to a final adjustment clause tied to the capgemini SE share price between vesting dates and 1 July 2019.

** The internal condition was only statisfied 54% at the first vesting date, resulting in the vesting of 2,539 units and cancellation of 3,232 units for the first tranche in 2017-18 and vesting of 5,011 units and cancellation of 4,269 units in 2016-17.

Details of charge and liability for cash incentives and performance plan are set out in table below -

	31 March 2018	31 March 2017
Charge for the year	**8**	148
Liability as at balance sheet date	**179**	434

(ii) Table below sets out the stock option activity of the various ESOP plans under which Capgemini SE granted stock options to the Company's employees.

During the current year, the Company changed the policy of recognising the compensation cost for these ESOP plans using equity method instead the liability method that was used until the previous year ended 31 March 2017 (please see discussion below). As a consequence of this change, the entire unpaid liability payable to Capgemini SE of Rs. 514 at at 31 March 2017 has been considered as no longer payable and has been adjusted against the cumulative compensation cost recognised using the grant date fair value for these awards for the years ended 31 March 2015 - 31 March 2018.

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

Particulars	31 March 2018			
	2014 Plan	2015 Plan	2016 Plan	2017 Plan
Details of the meeting	General Shareholders' meeting (24 May 2013)	General Shareholders' meeting (6 May 2015)	General Shareholders' meeting (18 May 2016)	General Shareholders' meeting (10 May 2017)
Maximum number of shares to be granted	1% of the share capital of the ultimate holding company on the date of Board of Directors' decision i.e. a maximum of 1,590,639 shares	1% of the share capital of the ultimate holding company on the date of Board of Directors' decision i.e. a maximum of 1,721,759 shares	1% of the share capital of the ultimate holding company on the date of Board of Directors' decision i.e. a maximum of 1,721,815 shares	1% of the share capital of the ultimate holding company on the date of Board of Directors' decision i.e. a maximum of 1,691,416 shares
Grant date	30-Jul-14	29-Jul-15	26-Jul-16	5-Oct-17
Performance assessment dates	Three years for the internal performance condition and two years for the external performance condition	Three years for the two performance conditions	Three years for the two performance conditions	Three years for the two performance conditions
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
Mandatory lock-in period effective as from the vesting date	NA	NA	NA	NA
Total numbers of shares granted	82,000	74,950	112,600	136,700
Options vested	-	-	-	-
Options exercised	-	-	-	-
Options forfeited or canceled during the year	8,750	12,150	7,850	5,850
Options unexercised	-	-	-	-
Options lapsed	-	-	-	-
Total number of options as at closing date	73,250	62,800	104,750	130,850
Weighted average remaining contractual life (in years)	0.3	1.3	2.3	3.5
Fair values with performance conditions				
External (Euro)	33.46	74.83	60.97	66.33
Internal (Euro)	48.26	82.18	77.10	93.25
% of external	50%	50%	50%	50%
% of internal	50%	50%	50%	50%
Money realised by exercise of option	NA	NA	NA	NA
Main market conditions at the grant date				
Volatility	26.33%	24.54%	26.35%	25.65%
Risk-free interest rate	0.34% - 0.81%	0.10% - 0.55%	0.2% - 0.17%	-0.17% - 0.9%
Expected dividend rate	2.31%	1.60%	1.6%	1.6%
Other conditions				
In employment within the group at the vesting date	Yes	Yes	Yes	Yes
Valuation model used to calculate the fair value of options	Monte Carlo for performance shares with external (market) conditions	Monte Carlo for performance shares with external (market) conditions	Monte Carlo for performance shares with external (market) conditions	Monte Carlo for performance shares with external (market) conditions
Range of fair values in euros				
Free shares (per share and in euros)	NA	NA	NA	NA
Performance shares (per share and in euros)	26.46 - 48.26	61.73 - 82.18	54.02 - 77.1	62.02 - 93.25
Share price at the grant date (in euros)	53.35	87.60	83.78	100.25
ESOP cost recognised in the year ended 31 March 2018	(97)	125	166	105

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

(ii) During the previous year, on vesting of the 2012 and 2013 plans, Capgemini SE recharged the Company the cost of acquiring such shares for settlement to the employees for the aforementioned years. The Company had recognised stock based awards' compensation expenses as a liability payable to Capgemini SE. For this purpose, the unvested shares were valued at Capgemin SE's share price as at 31 March 2017.

Particulars	31 March 2017		
	2014 Plan	2015 Plan	2016 Plan
Grant date	30-Jul-14	29-Jul-15	26-Jul-16
Performance assessment dates	Three years for the internal performance condition and two years for the external performance condition	Three years for the two performance conditions	Three years for the two performance conditions
Vesting period	4 years as from the grant date	4 years as from the grant date	4 years as from the grant date
Total number of shares granted taken over pursuant to amalgamation	82,000	74,950	112,600
Options vested	-	-	-
Options exercised	-	-	-
Options forfeited or canceled during the year	-	-	-
Options unexercised	-	-	-
Options lapsed	-	-	-
Total number of options as at closing date	82,000	74,950	112,600
Charge for the year	238	126	76
Amount payable under employee stock option plan - refer note 18 and 22	312	126	76

(iii) During the current year, Capgemini SE, the ultimate holding 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 holding company at a discounted rate of 12.5%. The grant of the above shares relate to the share capital of the holding company and shall have no impact on the share capital of the subsidiary companies whose employees are also entitled to subscribe to the share allocation. The Company recognised compensated expense for these awards using the fair value method.

Valuation was done by the parent company using the below mentioned assumptions. The status of the plans have been summarised below:

Particulars	ESOP 2017 31 March 2018
Details of the meeting	General Shareholders' meeting (10 May 2017)
Grant date	15-Nov-17
Base price (in euros)	102.16
Subscription price (in euros)	89.39
Par value discount (%)	12.50
Share price on grant (in euros)	100
Total number of shares subscribed	46,688
Charge for the year	3

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

41 Specified bank notes (SBN)

During the previous year, the Company and its Indian subsidiaries had other denomination notes ('ODN') as defined under MCA notification G.S.R. 308 (E) dated 30 March 2017 on the details of 'Specified Bank Notes' ('SBN') held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise ODN as per notification is given below. The Group had no transactions / balances of Specified Bank Notes during the specified period.

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

Amounts in the below table are absolute numbers

Particulars	SBNs	ODNs	Total
Closing cash on hand as on 8 November 2016		444	444
(+) Amount withdrawn from banks		19,260	19,260
(-) Permitted payments		(18,965)	(18,965)
(-) Amount deposited in banks		(739)	(739)
Closing cash on hand as on 30 December 2016		-	-

42 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, the Group has identified areas including activities for promoting programs that benefit the communities in and around the Group's work centre and further results in enhancing the quality of life and economic well being of the local populace, express commitment to the social development through responsible business practices and good governance, engage with state and its agencies in pursuing the development agenda for sustainable change for its CSR activities. These areas will be pursued in phases and in a manner aligned with the CSR rules and regulations. The funds have been contributed to trusts/organisations involved in the above activities and will be utilized on the activities which are specified in Schedule VII of the Companies Act, 2013. The gross amount required to be spent by the Group on CSR activities is Rs 234 (31 March 2017 Rs. 181). The total expenditure incurred on 'Corporate Social Responsibility Activities' for the current year is Rs. 161 (31 March 2017 Rs. 137)

Amount spent during the year on:

Particulars	In cash	Yet to be paid	Total
(i) Construction/acquisition of any assets (31 March 2017- Rs. Nil)	-	-	-
(ii) CSR Programs (previous year Rs. 130)	**127**	**27**	**154**
(iii) Other expenses allowed under CSR (31 March 2017- Rs. 7)	**7**	**-**	**7**
Total (31 March 2017- Rs. 137)	**134**	**27**	**161**

43 Overdue receivables for export services

As on 31 March 2018, the Company has receivables from group companies amounting to Rs. 242 which is outstanding for a period exceeding nine months from the invoice date. As per the RBI Master Circular No. 14/2015-16 on Export of Goods and Services updated on 16 July 2015, "It is obligatory on the part of the exporter to realize and repatriate the full value of goods or services to India within a period of nine months from the date of export". The export proceeds against these dues have not been repatriated within the stipulated period under the FEMA Rules and Regulations. Management has already filed for extension of time for collecting the dues of Rs. 242 till 31 March 2019 with authorised dealer and is awaiting confirmation.

44 Liquidation of Joint venture

In the previous year, liquidation of Thesys Technologies LLC was initiated at the meeting of its shareholders held on October 26, 2016 and the liquidation process was completed on 6 July 2017.

45 Acquisition of subsidiary

(i) Acquisition of AXA Technologies Shared Services Private Limited:

On 1 December 2016, CTSIL acquired 100 percent of the equity shares of AXA Technologies Shared Services Private Limited (subsequently this entity name was changed to Capgemini Solutions Private Limited (CSPL), a Company engaged in providing IT and ITES services to AXA Group entities, for a total consideration of Rs.1,691.

Control over CSPL will enable CTSIL to increase business portfolio in transversal services particularly in the area of IT and ITES and the synergy it is expected to bring in reduction in CTSIL's operating expenses due to economies of scale.

During the current year, pursuant to scheme of amalgmation dated 24 January 2018, CSPL has merged with CTSIL effective 1 April 2017 (appointed date).

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

Acquisition-related costs

Acquisition-related costs of Rs.27 have been expensed in Statement of Profit and Loss.

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

Particulars	Amount (in million) as at 30 November 2016
Non Current Assets	733
Current financial assets	1,473
Total assets acquired on amalgamation (A)	**2,206**
Non- Current Liabilities	142
Current liabilities and provisions	378
Total liabilities acquired on amalgamation (B)	**520**
Equity value as per NAV on 30 November 2016	**1,686**
Consideration paid	**1,686**

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows-

Assets acquired	Valuation technique
Fixed Assets consisting of Computer Systems, Office Equipment's Furniture and Fixtures, Leasehold improvements and Vehicles	Based on independent technical valuation analysis of fixed assets performed by a CAT VII Government approved and Registered Valuer, the fair value is equal to the carrying value. Depreciated replacement cost reflects the functional and economic obsolescence.
Goodwill	There has been no goodwill arising out of this acquisition

Had the acquisition occurred on 1 April 2016, revenue of Rs. 2,505 and profit after tax of Rs. 627 would have been added to the consolidated results of CTSIL for the year ended 31 March 2017.

(ii) Acquisition of TCUBE Software Solutions Private Limited:

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

Control over TCUBE will enable CTSIL to increase business portfolio in transversal services particularly in the area of IT and ITES and the synergy is expected to bring in reduction in CTSIL's operating expenses due to economies of scale.

Acquisition-related costs

Acquisition-related costs of Rs.0.3 have been expensed in Statement of Profit and Loss.

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

Particulars	Amount(in million) as at 31 October 2017
Non Current Assets	19
Current Assets	110
Total assets	**129**
Current Liabilities and Provisions	73
Total liabilities	**73**
Equity value as per NAV on 31 October 2017	**56**
Goodwill arising on business combination	**463**
Consideration paid	**519**

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

The valuation techniques used for measuring the fair value of material assets acquired were as follows-

Assets acquired	Valuation technique
Fixed Assets consisting of Computer Systems, Office Equipment's Furniture and Fixtures, Leasehold improvements and Vehicles	Based on independent technical valuation analysis of fixed assets performed by SSPA & Co., Chartered Accountants, the fair value is equal to the carrying value. Depreciated replacement cost reflects the functional and economic obsolescence.
Goodwill	Goodwill arising out of this acquisition is Rs. 463

46 Subsidiaries information

Name of the subsidiary	Net Assets (Total assets-total liabilities)		Share in profit or (loss)		Share in other comprehensive income/ (loss)		Share in total comprehensive income/(loss)	
	As % of total	Amount in Rs.	As % of total	Amount in Rs.	As % of total	Amount in Rs.	As % of total	Amount in Rs.
Parent	100.0%	99,423	100.0%	14,254	118.1%	535	100.6%	14,789
Indian subsidiaries								
IGATE Infrastructure Management Services limited	0.0%	(16)	0.0%	(6)	0.0%	-	0.0%	(6)
TCUBE Software Solutions Pvt.Ltd. (w.e.f 1 October 2017)	0.1%	66	0.1%	9	0.0%	-	0.1%	9
Foreign subsidiaries								
IGATE Computer Systems (Suzhou) Co Ltd. (The Company is disinvested on 12 March2018)	0.0%	-	0.1%	8	0.0%	-	0.1%	8
IGATE Singapore Pte. Ltd. (The Company is disinvested on 12 March2018)	0.0%	-	0.4%	62	0.0%	-	0.4%	62
Adjustment arising out of consolidation	-0.1%	(67)	-0.5%	(75)	-18.1%	(82)	-1.1%	(157)
	100.0%	99,406	100.0%	14,252	100.0%	453	100.0%	14,705

47 Managerial remuneration

During the year ended 31 March 2016, the Group paid remuneration amounting to Rs. 291 to its whole-time director. Such amounts paid were in excess of the limits specified in section 197 of the Companies Act, 2013 ('the Act') and Schedule V of the Act. The Group approved resolutions in Board meeting held on 23 November 2016 and shareholders meeting held on 29 December 2016 seeking approval for the excess remuneration paid and subsequently filed an application to the Central Government on 22 February 2017 to ratify excess remuneration paid aggregating to Rs. 221. During the year, pursuant to the application made by the Group, the Central government has, vide its order dated 1 December 2017, approved remuneration amounting to Rs. 118 and has directed the Group to recover excess remuneration of Rs. 173. The Group has recorded such excess remuneration as recoverable from the director under 'Other current financial assets' (refer note 12). However, no amount has been recovered till the date of approval of financial statements. The Group has, however, filed for a review petition on 23 April 2018 against the order of Central Government.

48 Subsequent events

(i) The Group had filed an application with the Hon'ble High Court of Judicature of Bombay in August 2016 to merge IGATE Infrastructure Management Services Limited with the Group effective 1 April 2017 under Section 391 to 394 of the Companies Act, 1956 pursuant to the approval of the scheme by Board of Directors on 18 July 2016. The said matter got transferred to the National Company Law Tribunal, Mumbai (NCLT) consequent to the notification of provisions relating to scheme of merger under Companies Act, 2013 by the Ministry of Corporate Affairs and to transfer all proceedings pending under Companies Act, 1956 before the various High Courts to the relevant benches of NCLT w.e.f 15 December 2016. In addition to the original scheme of merger, the Board of Directors have approved certain amendments to the scheme on 23 June 2017. The Group has filed the amended scheme of merger with NCLT, Mumbai.

(ii) The Group has filed an application with the National Company Law Tribunal, Mumbai on 19 April 2018 to merge Tcube Software Solutions Private Limited with the Company effective 1 April 2018 under Section 230 to 232 of the Companies Act, 2013 pursuant to the approval of the scheme by the Group's Board of Directors on 23 February 2018.

Notes to the consolidated financial statements for the year ended 31 March 2018 *(Contd.)*

(Currency : INR in millions)

49 Transfer pricing

The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year. The Group is required to update and put in place the information latest by the due date of filing its income tax return (30 November 2018). 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.

50 Previous year comparitives

Previous year's figures have been regrouped or reclassified whererever necessary to conform to current year's presentation.

Account head transferred from	Account head transferred to	Amount
Trade receivables	Other financial liabilities	134
Trade and other payables	Non current provisions	135
Trade and other payables	Other financial liabilities	1,298
Other operating expenses	Other income	135

Signatures to Note 1 to 50 form an integral part of the consolidated financial statements.

As per our report of even date attached.

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

Vijay Mathur
Partner
Membership No: 046476

Place : Mumbai
Date : 25 July 2018

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

Srinivasa Rao Kandula
Managing Director
DIN - 07412426

Kalpana Rao
Director
DIN - 07093566

Armin Billimoria
Company Secretary

Sujit Sircar
Chief Financial Officer

Place : Mumbai
Date : 25 July 2018

Capgemini Technology Services India Limited

(Formerly known as IGATE Global Solutions Limited)

Regd. office: No.14, Rajiv Gandhi Infotech Park, Hinjawadi Phase III, MIDC-SEZ, Village Man, Taluka Mulshi, Pune - 411 057 Maharashtra
CIN: U85110PN1993PLC145950; E-mail: cgcompanysecretary.in@capgemini.com; Website: www.in.capgemini.com
Telephone: +91-20-66991000; Fax: +91-20-66995050

Twenty Fifth Annual General Meeting Proxy Form

Form No.MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration), Rules, 2014]

Name of the member(s):		E-mail Id:	
Registered address:		Folio No/Client Id:	
		DP Id:	

I/We, being the member(s) of Capgemini Technology Services India Limited holding ______________________ shares, hereby appoint:

1. Mr./Ms. ______________________ Address ______________________,
   E-mail id: ______________________ Signature , or failing him/her
2. Mr./Ms. ______________________ Address ______________________,
   E-mail id: ______________________ Signature , or failing him/her
3. Mr./Ms. ______________ Address ______________________,
   E-mail id: ______________ Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Fifth Annual General Meeting of the Company, to be held on Wednesday, 26 September 2018 at 10:00 a.m. at No.14, Rajiv Gandhi Infotech Park, Hinjawadi Phase-III, MIDC-SEZ, Village Man, Taluka Mulshi, Pune – 411 057, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description	Tick the relevant item for which the proxy is appointed
Ordinary Business		
1	A. To receive, consider and adopt the Audited Standalone Financial Statement as at 31 March 2018 together with the Auditors' Report thereon and the Board's Report including the Secretarial Audit Report of the Company for the financial year ended 31 March 2018. B. To receive, consider and adopt the Audited Consolidated Financial Statement as at 31 March 2018 together with the Auditors' Report of the Company for the financial year ended 31 March 2018.	
2	To appoint a Director in place of Mr. Srinivasa Rao Kandula (DIN: 07412426) who retires by rotation and being eligible, offers himself for re-appointment.	
3	To appoint a Director in place of Mr. Ashwin Ashok Yardi (DIN: 07799277) who retires by rotation and being eligible, offers himself for re-appointment.	
4	To appoint a Director in place of Ms. Aruna Jayanthi (DIN: 00817860) who retires by rotation and being eligible, offers herself for re-appointment.	
5	To appoint a Director in place of Ms. Karine Marchat (DIN: 07901978) who retires by rotation and being eligible, offers herself for re-appointment.	
6	To appoint a Director in place of Mr. Ritesh Talapatra (DIN: 07849732) who retires by rotation and being eligible, offers himself for re-appointment.	
7	To appoint a Director in place of Mr. Hubert Giraud (DIN: 00817709) who retires by rotation and being eligible, offers himself for re-appointment.	
8	To appoint a Director in place of Mr. Paul Hermelin (DIN: 07887276) who retires by rotation and being eligible, offers himself for re-appointment.	
Special Business		
9	To appoint Mr. Thierry Delaporte (DIN: 08107242) as a Director of the Company.	
10	To approve change of address at which books of accounts is to be maintained.	

Signed this ______________ day of __________ 2018

Affix Revenue Stamp

Signature of Share holder______________________

Signature of Proxy holder(s)______________________

Notes:

a. A proxy need not be a member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members holding more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other member.

b. This form of proxy in order to be effective should be duly completed, signed and stamped should be deposited in person or through post at the registered office of the Company, not less than 48 hours before the commencement of the meeting. Incomplete proxy form will be treated as invalid.

Capgemini Technology Services India Limited

(Formerly known as IGATE Global Solutions Limited)

Regd. office: No.14, Rajiv Gandhi Infotech Park, Hinjawadi Phase III, MIDC-SEZ, Village Man, Taluka Mulshi, Pune - 411 057 Maharashtra
CIN: U85110PN1993PLC145950; E-mail: cgcompanysecretary.in@capgemini.com; Website: www.in.capgemini.com
Telephone: +91-20-66991000; Fax: +91-20-66995050

Twenty Fifth Annual General Meeting Attendance Slip

Folio No.:____________	DP ID*: ______________	Client ID*: ____________

* Applicable for Equity Shareholders holding Equity Shares in dematerialized form

I hereby record my presence at the Twenty Fifth Annual General Meeting of the Company at 10:00 a.m. on Wednesday, 26 September 2018 at No.14, Rajiv Gandhi Infotech Park, Hinjawadi, Phase-III, MIDC-SEZ, Village Man, Taluka Mulshi, Pune- 411 057, Maharashtra

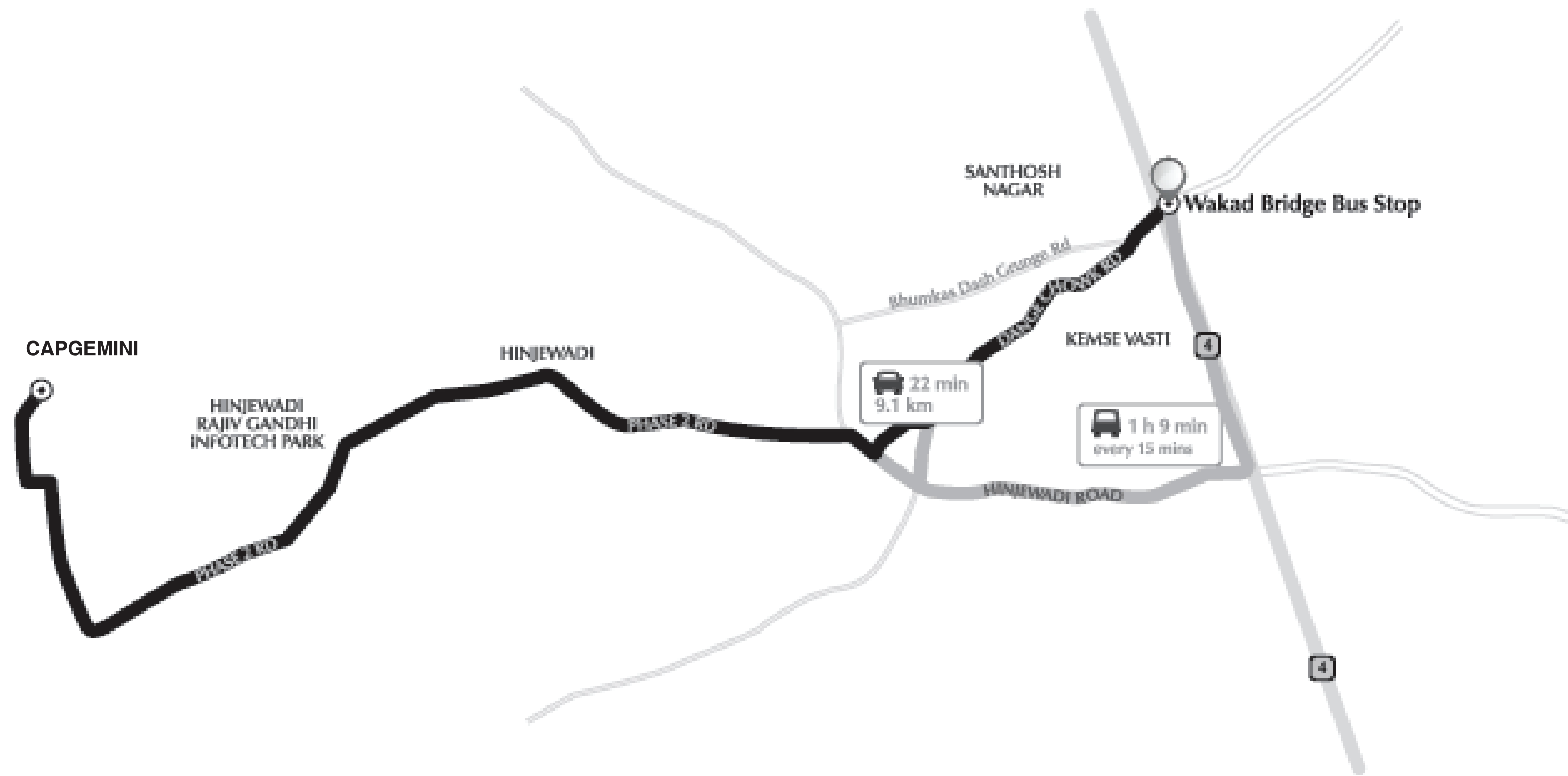
Name of the Shareholder (In Block Letters): ______________________

Signature of the Shareholder or Proxy: ______________________

Notes:

1. Please complete this attendance slip and hand it over at the entrance of the hall.
2. Members are requested to bring their copies of the Annual Report to the Meeting.

ROUTE MAP FOR MEETING VENUE



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www.in.capgemini.com

Capgemini Technology Services India Limited

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