



**TRANSCRIPT OF THE PROCEEDINGS OF THE 27<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”) OF THE MEMBERS OF CAPGEMINI TECHNOLOGY SERVICES INDIA LIMITED (“THE COMPANY”) HELD ON FRIDAY, 25 SEPTEMBER 2020 AT 10:00 A.M. THROUGH VIDEO-CONFERENCE (“VC”) / OTHER AUDIO VISUAL MEANS (“OAVM”)**

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**Participants**

Mr. Srinivasa Rao Kandula - Wholetime Director and Chairman

Mr. Ashwin Yardi - Wholetime Director and Chief Executive Officer

Ms. Aruna Jayanthi - Wholetime Director

Mr. Ramaswamy Rajaraman - Independent Director

Ms. Kalpana Rao - Independent Director

Mr. Sujit Sircar - Chief Financial Officer

Ms. Armin Billimoria - Company Secretary

Other Key Executives and Senior Management and Shareholders

At 10:02 A.M. Mr. Srinivasa Rao Kandula, Wholetime Director and Chairman declared that sufficient quorum was present and 27<sup>th</sup> Annual General Meeting commenced through video conference / other audio visual means.

**Welcome address by Mr. Srinivasa Rao Kandula, Wholetime Director and Chairman – Chairman’s speech**

It gives me immense pleasure to welcoming all of you at the 27<sup>th</sup> Annual General Meeting, I hope all of you are healthy, safe and secure. On behalf of the Board of Directors, I want to thank you for taking the time out to join us today. Along with me we have Mr. Ramaswamy Rajaraman, Independent Director and Chairman of Audit Committee and Stakeholders Relationship Committee and member of Nomination and Remuneration Committee and Corporate Social Responsibility Committee and Mrs. Kalpana Rao, Independent Director and Chairperson of Nomination and Remuneration Committee and Corporate Social Responsibility Committee and member of Audit Committee and Stakeholders Relationship Committee. Mr. Ashwin Yardi, Whole Time Director & Chief Executive Officer, Mrs. Aruna Jayanthi, Whole Time Director, Mr. Sujit Sircar, Chief Financial Officer and Mrs. Armin Billimoria, Company Secretary.

Apart from them, we also have key executives and senior management joining from their respective locations. Statutory auditors, M/s B S R & Co. LLP, have also joined this meeting.

Mr. Paul Hermelin and Mr. Hubert Giraud Non-Executive Directors are unable to join us today due to personal reasons but have conveyed their good wishes to all members and stakeholders.

We have the requisite quorum present through video conference to conduct the proceedings of this meeting. Participation of members through video conference is being reckoned for the purpose of quorum as per the circulars issued by MCA and Section 103 of the Companies Act, 2013. The quorum being present, I call this meeting to order.

Pursuant to COVID 19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated 05 May 2020 read together with circulars dated 08 April 2020 and 13 April 2020 (collectively referred to as “MCA Circulars”) permitted convening of the AGM through VC or OAVM without physical presence

of members at a common venue. In accordance with the provisions of Companies Act, 2013 and MCA Circulars, AGM is being held through VC using Kfin Technologies Private Limited's e-meeting platform. I thank them for facilitating this meeting. The deemed location for the meeting is the registered office of the Company situated at No.14, Rajiv Gandhi Infotech Park, Hinjawadi Phase III, MIDC – SEZ, Village Man, Taluka Mulshi, Pune – 411057, Maharashtra.

Since this AGM is being held through VC pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by members was not applicable and hence the proxy register for inspection is not available.

All shareholders present at the meeting will be on mute. The Company has received requests from few members to register them as speakers at the meeting. Accordingly, the floor will be open for these members to ask questions or express their views. The moderator will facilitate this session once floor is opened for questions and answers. Members can also post their views or questions on the "Ask a question" tab on their video conference screens.

The Company had provided the facility to cast the votes electronically, on all resolutions set forth in the Notice. The e-voting facility was kept open for a period of three days from 9:00 AM on Tuesday, 22 September 2020 upto 5:00 PM on Thursday, 24 September 2020. Members who have not cast their votes yet electronically and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system provided by Company's Registrar and Share Transfer Agent, Kfin Technologies Private Limited (formerly known as Karvy Fintech Private Limited). Voting platform will remain open for 15 minutes after the conclusion of the meeting to facilitate shareholders.

Members are requested to refer to the Instructions provided in the notice or appearing on the video conference page, for a seamless participation through video conference. In case members face any difficulty, they may reach out on the helpline numbers.

AGM notice is forwarded to all shareholders at their registered email id and the same is also available on the Company and Kfin Technologies Private Limited's website.

All registers / records which are normally available for member's inspection during the AGM are all uploaded on Kfin Technologies Private Limited's website <https://emeetings.kfintech.com/> and are available for member's inspection during the meeting on Kfin Technologies Private Limited's website <https://emeetings.kfintech.com/>.

The Statutory Auditors, M/s B S R & Co. LLP, and Secretarial Auditor, Parikh & Associates, Company Secretaries, have expressed unqualified opinion in respective audit reports for the financial year 2019-2020. There were no qualifications, observations or adverse comments on financial statements and matters, which have any material bearing on the functioning of the Company. The Statutory Auditors' report on standalone financial statements and consolidated financial statements are available on Page numbers 44 and 113 of the annual report. Secretarial Auditor report is enclosed as Annexure V to the Board's report on Page number 26 of the annual report.

The Notice of this Meeting dated 17 August 2020 has already been circulated to the Members. With your consent, I take the Notice as received, read and understood.

Your Company has appointed Mr. Shailesh Indapurkar to act as scrutinizer for this meeting, and to supervise the e-voting process and his report will be uploaded on the Company's website.

We now take up the resolutions as set forth in the Notice. Resolutions to be passed during today's meeting forms part of Ordinary Business

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

Since I am interested for the next agenda, I hereby request Mr. Ashwin Yardi, Wholetime Director & CEO of the Company to conduct the proceeding for resolution No. 2 subject to approval of members.

The present members, to approve the same.

**I invite Mr. Ashwin Yardi. Below mentioned resolution no. 2 was read out by Mr. Ashwin Yardi.**

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.

**Thank you and back to you Mr. Kandula to continue the proceedings of meeting for next business item to be transacted. Over to you Srini. Thank you Ashwin.**

Next resolution, resolution number 3.

3. To appoint a Director in place of Mr. Ashwin Yardi (DIN: 07799277) who retires as per article 14 (8) (a) of the Articles of Association of the Company at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. Aruna Jayanthi (DIN: 00817860) who retires as per article 14 (8) (a) of the Articles of Association of the Company at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Mr. Hubert Giraud (DIN: 00817709) who retires as per article 14 (8) (a) of the Articles of Association of the Company at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. Paul Hermelin (DIN: 07887276) who retires as per article 14 (8) (a) of the Articles of Association of the Company at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
7. Appointment of M/s Price Waterhouse Chartered Accountants LLP (Registration No. 012754N/N500016) as Statutory Auditor of the Company for a period of 5 (five) years.

There will be no proposing and seconding as the voting has already undertaken as per secretarial standards.

I now request Mr. Ashwin Yardi, Wholetime Director and Chief Executive Officer to address the shareholders.

**Mr. Ashwin Yardi, Wholetime Director and Chief Executive Officer addressed the shareholders**

Thank you, Sridhar and good morning to all the shareholders for joining us virtually today. I will take a few minutes to share with you our journey in financial year 19-20 performance and also share with you few aspects of where our business is heading.

In terms of Financial Year 19-20 we had very strong and robust performance. Our overall revenue including other income was INR in million 153,030 as against INR 140,424 million in the previous year, which shows a strong growth of 9% over the previous year. The Company earned strong profit after tax (PAT) of INR 15,706 million as against INR 15,742 million in the previous year. To call out Profit after Tax has been impacted due higher tax also previous year includes some of the tax refunds which came over during Financial Year 18-19.

Overall during the year, in the first half we have continued to see very very strong and robust performance. Despite current pandemic, as a Company we have taken significant efforts for our clients, employees and society. I want to specially thank all the employees of Capgemini who have really stood up despite the very difficult times as we all experienced.

As you could have seen what is happening in industry, we see a very strong growth coming from outsourcing our Cloud business and also our Digital business. We have seen acceleration in these parts of our business during the year and the momentum continues very strongly.

During the year, we have focused very strongly on our employees and we have taken several actions to ensure safety, security and health of our employees.

We had a very strong business continuity measures during the year and pre-empting the situation we had significantly scaled up our IT infrastructure increasing our bandwidth, internet capacity and strengthening our VPN capacity. During the year when pandemic started, we created dedicated business continuity leadership team across all our cities and directly under the leadership of executives. In this process we have dispatched large number of devices laptops, desktops, data cards across cities to our employees and most of our employees started working from home. As we speak 99% of Capgemini staff is working from home which is leading in the industry in terms of work from home. It also was very well recognised by our clients. We received several client appreciation during last 6 months appreciating our teams who have continued to delivered very very seamlessly on their production systems and many clients have gone live with new systems, new operations in these very difficult times retaining all the cyber security and compliance requirements.

In these challenging times we have also continued to focus on impact we have created with our society. Across the cities of operations we work we have been working with local authorities, municipal corporations, police departments to donate and contribute with PPE kits, with lot of medical equipment, in initial days with food and ration supply and we have worked with various NGOs in these cities and we are very proud as an organization that we have impacted positively more than 800,000 individuals across 15 different locations. We also worked with city hospitals in some of our key locations contributing to their medical infrastructure, expanding their ICU and other benefits.

Overall we continue to see strong robust momentum to our business and very comfortable where we see our current business operations are.

With that thank you all again and our employees who have continued to work relentlessly in these difficult times .

I will once again request Mr. Kandula to conduct the subsequent part of the meeting. Over to you Sridhar.

**Mr. Srinivasa Rao Kandula, Wholetime Director and Chairman continued the meeting**

Thank you, Ashwin.

We have already received some questions from members, I will answer them along with my colleagues after the shareholder speakers have spoken and raised their questions.

I would request the member speakers to mention their name, DP/ID and switch on their video when their name is called by the moderator. If there is any problem at speaker's end the moderator will call out the name of the next speaker. Member can call on the helpline no if there is any support required. Speaker will limit their questions to performance of the company and request you not repeat the question which have been already asked by other speakers. The time allotted to each speaker will be 3 minutes.

Now I handover back to moderator. Moderator you are requested to take over.

**Moderator was now in-charge to unmute speaker shareholders for question and answer session**

Thank you, sir.

**Question and answer session**

Names of the speaker shareholders were called out by moderator.

1. Mr. Dinesh Gopaldas Bhatia. Questions from shareholder were as below:
  - a. What is our global revenue?
  - b. What is our foreign exchange income and outgoing?
  - c. Profit share from global business is at what percentage and in India at what percentage?
2. Mr. Satish Jayantilal Shah – Could not speak due to connectivity issue
3. Ms. Rekha Satish Shah – Could not speak due to connectivity issue

**Mr. Srinivasa Rao Kandula, Wholetime Director and Chairman continued question and answer session**

Apart from questions raised by member speakers we have received questions from other shareholder members and some of these questions are quite similar to each other. These questions can be mainly classified into three categories. One set of questions are mainly on COVID impact, business performance of Capgemini Technology Services India Limited, etc. Second set of questions are mostly related to finance and third set of questions more generic in nature.

I request Mr. Ashwin Yardi, Wholetime Director and Chief Executive Officer to address questions related to COVID impact, business performance, etc. to answer those questions.

**Mr. Ashwin Yardi, Wholetime Director and Chief Executive Officer answered questions related to COVID impact, business performance, etc.**

I would like to answer few questions from set of questions raised by Mr. Kapil Chopra:

1) What's the REAL impact of Covid 19? In % terms how your supply chain has affected?

*Overall as I have said we have seen growth from last financial year and initial after first months we have seen significant positive demand coming from our business which I mentioned cloud and digital and operations continued to grow. In terms of supply chain people are main resources and assets and in last 6 months we have moved our hiring, training, deployment and onboarding virtually and in this period we have hired more than 5,000 people who have joined us and fully enabled and they are serving our clients effectively. After very small period of initial time we have moved our entire operations of supply chain virtual and it is now running business as usual and even more efficiently.*

2) Please give the production capacity utilisation figures in % for the month April, May and June 2020? What's the trend in this quarter so far despite several government restrictions? What was capacity utilisation of last year? and Last 5 years on moving average basis?

*We were marginally impacted by couple of percent points capacity utilization for the period of April and May but as I mentioned now we have fully enabled all our employees to work from home. Initially we have tightened all our operational parameters and as we speak for last 3 months all our operational parameters are in line with pre covid days. Some of them even better than pre covid days. We have got full and tight control through all our actions undertaken to enable employees to work from home as well as operational controls which we have put in place as I said it is very much in line with what our business was in pre covid times.*

3) How many employees we have sacked, hired and salary cut in % if any? How much salary cut was taken by the management?

*I would like to share that throughout the process we have very very single mindedly focused on building our employee trust and actions taken for employees. Few key highlights are we are one of the few companies which has continued with our compensation review process so 70% of employees got increment as scheduled in April and 30% of management staff got their increment and pay plans revision effective 01 July. Only 30% increments were rescheduled by one quarter but overall we are one of the few companies in the industry which has focused on employee welfare during this period and conducted all the promotions and increments as scheduled only for management being delayed by one quarter and also all bonuses were paid on time. We had no employee undergo pay cut till date and there are no future plans for salary cut. We are very proud of the focus and actions taken for our employees during this period.*

4) What are new innovations and new product launches we did after April 1 and what's the response so far?

*We have a very strong portfolio team which has been instituted for last 3 years. The team has created lot of new offers which are adapted to the covid scenario. Some of them are new supply chain process in the covid times and this has seen lot of attraction with our clients. A newly and refreshed cloud offer for clients to happily accelerate on cloud infrastructure. Third area which we have focused is around enabling our clients around e-commerce. All these offers have seen significant update. We have also worked with some of our clients in medical devices and engineering space to help them design and adapt new products to address the covid situation. These are some of the innovations created during covid times and we have started to see strong growth in these areas.*

5) What's the cost cutting initiatives and production enhancement activity done by the management?

*We have been very focused on right cost cutting initiatives without compromising welfare of the employees. Some of the initiatives taken are 1. Strong focus but obvious on travel. There has been*

*no travel in last 6 months and it helped to significantly reduced cost. 2. Significant hibernation of our facilities. As I mentioned 99% of our staff is working from home and we have in a very systematic way hibernated lot of our facilitates which has helped us to reduce cost. 3. We use specially for such time contingent and flexible workforce and we have adjusted that contingent and flexible workforce and flexed it down based on appropriate demand requirement. So these 3 things and in addition any discretionary spent which was planned has been deferred and has helped us retain our focus on cost and profitability.*

6) What is the view of the management going forward? Is sustainability of the profit earning growth will remain the challenge in coming quarters?

*As I have mentioned we have undertaken several action and our operational parameters are getting close to what our pre covid. At this point if you see externally there are lot of uncertainties so it is difficult to predict how future will be but what we are very proud of that as Capgemini we have to control in our operations and we see strong and robust demand and our clients are expanding business with us.*

With that I hand it over to Sujit, to take some of finance questions which have come up.

**Mr. Sujit Sicar, Chief Financial Officer answered questions related to finance and legal since Ms. Armin Billimoria, Company Secretary was not audible due to technical glitches**

Thank for questions and good morning to everyone.

I will answer questions raised by Mr. Dinesh Bhatia:

What is our global revenue, foreign exchange income and outgoing and profit share from global business is at what percentage and in India at what percentage?

*Currently for the year into consideration, our export revenue was 88% and 12% is a local business. Hope that clarifies your question.*

Some of the other questions came from shareholders are as follow:

1)What are the management efforts to improve Working Capital to Sales ratio, RoCE, Net debt to EBITDA multiple, OPM, Debtor days and Interest coverage ratio?

*I must tell all the shareholders that your Company has a very solid balance sheet and it has been doing pretty well. Management makes constant efforts to improve the operating ratios. Working capital to Sales ratio is 1: 13, RoCE is 16.9%, OPM is 16.2%, Debtors days is 57 days. The other ratios are not applicable to the company since it is debt free. All these shows we are very strong in our balance sheet and financial structure.*

2)Please give details of deals or parties in Other Current and Non current Liabilities: contingent liabilities: Please let me know the details of our contingent liabilities and if the CS can arrange a video call with your legal head to learn the perspective in detail.

*Current liabilities mainly consists of trade payables, provisions towards employee expenses, current taxes, advances from clients. Non current liabilities mainly consists of lease liabilities recognised under Ind AS 116 and long term employee benefits. Contingent liabilities are primarily related to employee and stamp duty claims. Please refer note 43 (B) in the financial statements for the details. Contingent Liability is determined in consultation with legal, finance and validated through audit process.*

3) What are the management efforts to reduce Other expenses & Legal Professional charges and audit fees?

*Operating expenses increased by 1% (without considering Ind AS 116 impact) versus increase in revenue by 8%. The audit fees has also been constant for past few years. Further, considering the size of operations of the company legal & professional charges as existing are at a very optimum level.*

4) Why has the EBITDA Margin of the company Dropped from 15% in 2018 to 10% in 2020?

*It is not true. The EBITDA Margin for FY 2018 is 18.2% against 20% in FY 2020, hence we see an increase in margin in FY 2020 and not a decrease. Maybe somewhere something is misleading but this is a true picture.*

Since Ms. Armin Billimoria, Company Secretary was not audible due to technical glitches, Mr. Sujit Sircar, Chief Financial Officer answered legal questions as below:

1. What are the management efforts to improve the company image thru investor relation exercise like concall, quarterly presentations and meeting global investors? How will the management ensure this? -

*As you will be aware, the Company is one of the global leader in consulting, technology services and digital transformation. The Company is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. The Company on regular basis is interacting and meeting with international and domestic investors as and when required for the growth of the Company and continuously strives for excellence in its investor relations. The Board of Directors also meet at regular intervals and discuss several topics, including when relevant, investor relations, expansion, presentations with investors etc.*

*The Company have a dedicated email address i.e. [cgcompanysecretary.in@capgemini.com](mailto:cgcompanysecretary.in@capgemini.com) to communicate with the shareholders of the Company. The Company also have Stakeholders Relationship Committee which regularly meet to consider and resolve the grievance of shareholders of the Company.*

2. What are the credential the new & EXISTING directors are bringing on the table to take the company to next phase of growth or to guide the new generation? Is the appointment being done after checking all the new amendments under clause 49. PLEASE SEND THE KMP DETAILS TO US –

*We would like to inform you that, the Company is an unlisted public company and Clause 49 is not applicable to the Company. The directors on the Board of the Company are appointed in compliance with the applicable provisions of the Companies Act, 2013 based on qualification and experience. List of directors/ KMP of the Company is available in the annual report as circulated to members.*

3. What is the policy related to dividends in our company as most of the senior citizens only depend on that?

*We would like to inform you that, only 500 listed companies based on market capitalization are required to formulate and follow a dividend distribution policy as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2016. Since the Company is an unlisted public company, the Securities and Exchange Board of India regulation with respect to dividend distribution policy is not applicable to the Company and therefore no such policy is adopted by the Company.*

4. Pls send top 1000 shareholder list along with their name, numbers and email id –

*This will be forwarded*

5. Please send mobile no, email ids and landline numbers and addresses of all Key Managerial person

*Requested details are classified as personal and confidential. Request you to correspond with the KMP on the email address which is dedicated to shareholders i.e. [cqcompanysecretary.in@capgemini.com](mailto:cqcompanysecretary.in@capgemini.com).*

That is all from legal side. I hand it over back to Chairman sir.

Since Mr. Srinivasa Rao Kandula, Wholetime Director and Chairman was not audible due to technical glitches Mr. Sujit Sircar, Chief Financial Officer requested Mr. Ashwin Yardi, Wholetime Director and Chief Executive Officer to take over and conclude the meeting.

**Mr. Ashwin Yardi, Wholetime Director and Chief Executive Officer concluded the meeting**

That brings me to the end of Q / Answer session. Members may note that the voting on Kfin Technologies Private Limited's e-meeting platform will continue to be available for the next 15 minutes. Therefore, members who have not cast their vote yet are requested to do so.

The Board of Directors has appointed Shailesh Indapurkar, Practicing Company Secretary, as the scrutinizer to supervise the e-voting process. Further, I hereby authorize Mrs. Armin Billimoria, Company Secretary, to declare the result of the voting and place the results on the website of the Company at the earliest.

The resolutions, as set forth in the Notice, shall be deemed to be passed today subject to receipt of requisite number of votes.

We are grateful to all our shareholders. Thank you all for attending the meeting and I hereby declare the proceedings as closed. Thank you very much and see you next year.