Independent auditors' report

To the Members of Aricent Technologies (Holdings) Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Aricent Technologies (Holdings) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Emphasis of Matter

4. We draw your attention to Note 39 to the financial statements in respect of Scheme of Amalgamation (the "scheme") between the Company and Aricent Technologies Private Limited, it's wholly owned subsidiary, as approved by Regional Director (NR), New Delhi, vide its order dated December 21, 2020. The scheme has been given effect to in the financial statements from the appointed date of April 1, 2020 as per the scheme, which is different from the date required under Ind AS 103 – Business Combinations, which is the beginning of the preceding period, namely April 1, 2019.

   Our opinion is not modified in respect of this matter.

Other Information

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

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

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

We have nothing to report in this regard.

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

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing

our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

12. The financial statements of the Company for the year ended March 31, 2020, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated August 31, 2020, expressed an unmodified opinion on those financial statements.

Report on other legal and regulatory requirements

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

14. As required by Section 143(3) of the Act, we report that:
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act (also refer the 'Emphasis of Matter' section of our report).

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

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

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 16 to the financial statements;

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

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

15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Jeetendra Mirchandani
Partner
Membership Number: 048125

UDIN: 21048125AAAADE7753
Place: Pune
Date: July 19, 2021

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of Aricent Technologies (Holdings) Limited on the financial statements for the year ended March 31, 2021

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

1. We have audited the internal financial controls with reference to financial statements of Aricent Technologies (Holdings) Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of Aricent Technologies (Holdings) Limited on the financial statements for the year ended March 31, 2021

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Jeetendra Mirchandani
Partner
Membership Number: 048125

UDIN: 21048125AAAADE7753
Place: Pune
Date: July 19, 2021

Annexure B to Independent Auditors' Report
Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Aricent Technologies (Holdings) Limited on the financial statements as of and for the year ended March 31, 2021

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

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The Company does not own any immovable properties as disclosed in Note 3 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.

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

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

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

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

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of Tax Deducted at Source, Profession Tax and Goods and Service Tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, Labour welfare fund and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 31 (f) to the financial statements regarding management's assessment on certain matters relating to provident fund.

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

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Pune

Annexure B to Independent Auditors' Report
Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Aricent Technologies (Holdings) Limited on the financial statements for the year ended March 31, 2021

Amount in Rs. million

Name of the statute	Nature of dues	Gross Amount	Paid under Protest	Net Amount not deposited	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	899.91	0.90	899.01	F.Y. 2003-04 and 2015-16	Assessing Officer
		53.91	0.28	53.63	F.Y. 2005-06, 2008-09 and 2016-17	Commissioner of Income Tax (Appeals)
		8.16	5.00	3.16	F.Y. 2006-07	Income Tax Appellate Tribunal
		57.67	-	57.67	F.Y. 2004-05	High Court
Finance Act, 1994	Service Tax	4,348.78	49.36	4,299.42 *	2006-07 to 2013-14	Custom, Excise & Service Tax Appellate Tribunal (CESTAT)
Sales Tax	Sales Tax	7.44	3.72	3.72	2009-10	Karnataka Appellate Tribunal

* The entire demand for all the years has been stayed till the disposal of appeals.

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

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

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 15 of our main audit report.

Annexure B to Independent Auditors' Report
Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Aricent Technologies (Holdings) Limited on the financial statements for the year ended March 31, 2021

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

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

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

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

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

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

Jeetendra Mirchandani
Partner
Membership Number: 048125

UDIN: 21048125AAAADE7753
Place: Pune
Date: July 19, 2021

Aricent Technologies (Holdings) Limited
Balance Sheet as at 31 March 2021
(All amounts in INR million, unless otherwise stated)

		Note	As at 31 March 2021	As at 31 March 2020
I	**ASSETS**			
	Non-current assets			
	Property, plant and equipment	3	840	910
	Right of use assets	4	1,694	1,917
	Capital work-in-progress	3	26	4
	Goodwill	5	7,803	4,874
	Other intangible assets	5	391	130
	Financial assets			
	(i) Investment in subsidiaries	12	-	5,609
	(ii) Loans	6	342	321
	(iii) Other financial assets	7	-	46
	Income tax assets (net)	17	1,144	1,158
	Deferred tax assets (net)	17	1,364	1,967
	Other non-current assets	8	785	680
	Total non-current assets		**14,389**	**17,616**
	Current assets			
	Financial assets			
	(i) Trade receivables	9	8,849	12,105
	(ii) Cash and cash equivalents	10	1,390	1,787
	(iii) Bank balances other than (ii) above	11	-	22
	(iv) Loans	6	28	3
	(v) Investments in mutual funds	12	9,035	-
	(vi) Other financial assets	7	758	2,058
	Other current assets	8	674	548
	Total current assets		**20,734**	**16,523**
	Total assets		**35,123**	**34,139**
II	**EQUITY AND LIABILITIES**			
	Equity			
	Equity share capital	13	1,312	1,312
	Other equity	14	24,787	23,635
	Total equity		**26,099**	**24,947**
	LIABILITIES			
	Non-current liabilities			
	Financial liabilities			
	(i) Lease Liabilities	4	1,115	1,348
	Provisions	16	1,824	2,126
	Income tax liabilities (net)	17	842	876
	Other non-current liabilities	18	124	119
	Total non-current liabilities		**3,905**	**4,469**
	Current liabilities			
	Financial liabilities			
	(i) Trade payables			
	- Due to micro and small enterprises	19	-	-
	- Due to other than micro and small enterprises	19	1,554	1,690
	(ii) Other financial liabilities	15	851	977
	(iii) Lease liabilities	4	689	618
	Provisions	16	1,273	894
	Other current liabilities	18	752	544
	Total current liabilities		**5,119**	**4,723**
	Total equity and liabilities		**35,123**	**34,139**

The accompanying notes 1 to 43 are an integral part of these financial statements.
This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
(Registration No. FRN 012754N/N500016)

Jeetendra Mirchandani
Partner
Membership No : 048125

Place: Pune
Date: 19 July 2021

For and on behalf of the Board of Directors

Krishna Chandra Reddy
Managing Director
DIN – 07573071

Sujit Sircar
Director
DIN – 00026417

Parveen Jain
Company Secretary

Jitendra Grover
Chief Financial Officer

Place: Gurugram
Date: 19 July 2021

Aricent Technologies (Holdings) Limited
Statement of Profit and Loss for the year ended 31 March 2021
(All amounts in INR million, unless otherwise stated)

	Note	For the year ended	
		31 March 2021	**31 March 2020**
INCOME			
Revenue from operations	20	25,466	24,666
Other income	21	634	803
Total income		**26,100**	**25,469**
EXPENSES			
Employee benefit expenses	22	17,047	15,627
Finance costs	23	209	193
Depreciation and amortisation expense	24	1,584	1,397
Other expenses	25	4,391	4,765
Total expenses		**23,231**	**21,982**
Profit before tax		**2,869**	**3,487**
Current tax	17	735	114
Deferred tax	17	174	(3,654)
Income tax expense		**909**	**(3,540)**
Profit for the year		**1,960**	**7,027**
Other comprehensive income			
A. Items that will be reclassified to profit or loss			
The effective portion of gain / (loss) on hedging instruments in a cash flow hedge	28	159	(338)
Gain/(loss) reclassed to income statement	28	338	(108)
Income tax effect	17	(174)	156
Net other comprehensive income/(loss) that will be reclassified to profit or loss		**323**	**(290)**
B. Items that will not be reclassified to profit or loss			
Re-measurement gain/(loss) on defined benefit plans	29	434	(564)
Income tax effect	17	(152)	205
Net other comprehensive income/(loss) that will not be reclassified to profit or loss		**282**	**(359)**
Other comprehensive income/(loss) for the year (A+B)		**605**	**(649)**
Total comprehensive income for the year		**2,565**	**6,378**
Earnings per equity share:			
(1) Basic (absolute value in INR)	26	15	54
(2) Diluted (absolute value in INR)	26	15	54

The accompanying notes 1 to 43 are an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
(Registration No. FRN 012754N/N500016)

Jeetendra Mirchandani
Partner
Membership No : 048125

Place: Pune
Date: 19 July 2021

For and on behalf of the Board of Directors

Krishna Chandra Reddy
Managing Director
DIN – 07573071

Sujit Sircar
Director
DIN – 00026417

Parveen Jain
Company Secretary

Jitendra Grover
Chief Financial Officer

Place: Gurugram
Date: 19 July 2021

Aricent Technologies (Holdings) Limited
Statement of Changes in Equity for the year ended 31 March 2021
(All amounts in INR million, unless otherwise stated)

(a) Equity share capital

	Number of shares	INR in million
Equity shares of INR 10 each issued, subscribed and fully paid		
At 1 April 2019	131,196,104	1,312
Change during the year	-	-
At 31 March 2020	131,196,104	1,312
Change during the year	-	-
At 31 March 2021	131,196,104	1,312

(b) Other equity

For the year ended 31 March 2021:

	Reserves and surplus					Other reserves	
	Securities premium reserve	Retained earnings	Capital redemption reserve	Capital reserve	Deemed contribution from parent company	Cash flow hedging reserve	Total
	(Note 14)	(Note 14)	(Note 14)	(Note 14)	(Note 14)	(Note 14)	
As at 1 April 2020	500	19,778	3,544	-	33	(220)	23,635
Add: Addition on account of merger	-	325	-	(1,738)	-	-	(1,413)
	500	20,103	3,544	(1,738)	33	(220)	22,222
Profit for the year	-	1,960	-	-	-	-	1,960
Other comprehensive income	-	282	-	-	-	323	605
Total comprehensive income	-	2,242	-	-	-	323	2,565
At 31 March 2021	500	22,345	3,544	(1,738)	33	103	24,787

For the year ended 31 March 2020:

	Reserves and surplus					Other reserves	
	Securities premium reserve	Retained earnings	Capital redemption reserve	Capital reserve	Deemed contribution from parent company	Cash flow hedging reserve	Total
	(Note 14)	(Note 14)	(Note 14)	(Note 14)	(Note 14)	(Note 14)	
As at 31 March 2019	500	13,062	3,544	-	33	70	17,209
Add: Transition impact of IndAS 116 Leases	-	48	-	-	-	-	48
Restated balance as at 1 April 2019	500	13,110	3,544	-	33	70	17,257
Profit for the year	-	7,027	-	-	-	-	7,027
Other comprehensive loss	-	(359)	-	-	-	(290)	(649)
Total comprehensive income	-	6,668	-	-	-	(290)	6,378
At 31 March 2020	500	19,778	3,544	-	33	(220)	23,635

The accompanying notes 1 to 43 are an integral part of these financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
(Registration No. FRN 012754N/N500016)

Jeetendra Mirchandani
Partner
Membership No : 048125

Place: Pune
Date: 19 July 2021

For and on behalf of the Board of Directors

Krishna Chandra Reddy
Managing Director
DIN – 07573071

Sujit Sircar
Director
DIN – 00026417

Parveen Jain
Company Secretary

Jitendra Grover
Chief Financial Officer

Place: Gurugram
Date: 19 July 2021

Aricent Technologies (Holdings) Limited
Statement of Cash Flows for the year ended 31 March 2021
(All amounts in INR million, unless otherwise stated)

		For the year ended	
		31 March 2021	31 March 2020
A	**Cash flow from operating activities**		
	Profit before income tax	2,869	3,487
	Adjustment for:		
	Depreciation and amortisation expense	1,584	1,397
	(Gain)/loss on sale of property, plant and equipment (net) and right of use assets	(4)	2
	Provision for doubtful receivables	53	52
	Provision for doubtful deposits and advances	-	35
	Gain on sale of current investment (net)	-	(24)
	Unrealised gain on current investments (net)	(85)	-
	Liabilities/provisions no longer required written back	(13)	(118)
	Unrealized foreign exchange fluctuation loss/(gain) (net)	(6)	24
	Interest income (including fair value change in financial instruments)	(15)	(31)
	Finance costs (including fair value change in financial instruments)	209	193
	Operating cash flows before working capital changes	**4,592**	**5,017**
	Change in operating assets and liabilities:		
	Decrease/(Increase) in trade receivables	3,421	(2,304)
	Decrease/(Increase) in other assets and financial assets	1,464	(3,514)
	Increase in trade payable and financial liabilities	199	213
	Increase in other liabilities and provisions	599	2,695
		5,683	**(2,910)**
	Cash generated from operations	10,275	2,107
	Income taxes paid	(716)	(584)
	Net cash inflow from operating activities (A)	**9,559**	**1,523**
B	**Cash flow from investing activities:**		
	Purchase of property, plant and equipment including intangible assets and CWIP	(465)	(308)
	Proceeds from sale of property, plant and equipment including intangible assets	3	8
	Purchase of mutual funds	(8,950)	(1,700)
	Redemption of mutual funds	-	1,928
	Net cash outflow from investing activities (B)	**(9,412)**	**(72)**
C	**Cash flow from financing activities:**		
	Payments of lease liabilities	(847)	(564)
	Interest paid	(205)	(189)
	Net cash outflow from financing activities (C)	**(1,052)**	**(753)**
D	**Net (decrease) / increase in cash and cash equivalents (A + B + C)**	**(905)**	**698**
	Effect of exchange differences on cash and cash equivalents held in foreign currency	6	(24)
	Cash and cash equivalents at the beginning of the year	**1,787**	**1,113**
	Addition on account of merger (refer note 39)	502	-
	Cash and cash equivalents at the end of the year	**1,390**	**1,787**

(continued)

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Aricent Technologies (Holdings) Limited
Statement of Cash Flows for the year ended 31 March 2021
(All amounts in INR million, unless otherwise stated)

Notes to the Statement of cash flows:

(a) Reconciliation of cash and cash equivalents as per the cash flow statement

	For the year ended	
	31 March 2021	31 March 2020
Components of cash and cash equivalents		
- in current accounts	370	383
- in EEFC accounts	384	648
- in deposits with original maturity of less than three months	636	756
Balances per statement of cash flows	1,390	1,787

(b) Non-cash financing and investing activities

	For the year ended	
	31 March 2021	31 March 2020
- Acquisition of right-of-use assets	739	-
- On account of merger (refer note 39)		
- Reversal of investments	(5,609)	-
- Goodwill and other fixed assets	3,383	-

The accompanying notes 1 to 43 are an integral part of these financial statements.

This is the Statement of Cash Flows referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
(Registration No. FRN 012754N/N500016)

Jeetendra Mirchandani
Partner
Membership No : 048125

Place: Pune
Date: 19 July 2021

For and on behalf of the Board of Directors

Krishna Chandra Reddy
Managing Director
DIN – 07573071

Sujit Sircar
Director
DIN – 00026417

Parveen Jain
Company Secretary

Jitendra Grover
Chief Financial Officer

Place: Gurugram
Date: 19 July 2021

1 CORPORATE INFORMATION

The principal line of business of Aricent Technologies (Holdings) Limited ('the Company') has been, and its focus and core capability continue to be, software engineering services and solutions for the communications industry. The Company provides a comprehensive portfolio of innovation capabilities that combine customer insights, strategy, design, software engineering and systems integration that enables its clients to develop differentiated user experiences while at the same time accelerating time-to-market and optimising service operations.

The Company is a public limited company incorporated and domiciled in India. The address of its registered office is 5, Jain Mandir Marg (Annexe.), Connaught Place, New Delhi – 110001. As at 31 March 2021 Capgemini Technology Services India Limited the holding company owned 98.25% (31 March 2020 Aricent Holdings Mauritius Limited owned 80.36%) of the equity share capital of the Company. The Company has branches in Germany, Belgium, Finland, Australia, South Korea, Canada and United States of America.

These financial statements (or "the financial statements") for year ended 31 March 2021 were approved by the Board of Directors on 19 July 2021.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation and measurment

a) Statement of compliance
The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, read with Section 133 of the Companies Act, 2013 ("the Act"), and other relevant provisions of the Act.

b) Basis of preparation and presentation
These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based in the fair value of the consideration given in exchange of 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 Balance Sheet corresponds to the classification provisions contained in Ind AS 1 Presentation of Financial Statements. For clarity, various items are aggregated in the Statement of Profit and Loss and Balance Sheet. These items are disaggregated separately in the Notes, where applicable.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except otherwise stated.

The Scheme of Amalgamation of Aricent Technologies Private Limited ("Transferor Company") with the Company was approved by the Order of Regional Director (Nothern Region), New Delhi, passed on December 21, 2020, with effect from 1 April 2020 (appointed date). These financial statements include the impact of the aforementioned Scheme of Amalgamation as further explained in note 39 of the financial statements in the numbers reported for the year ended 31 March 2021.

New and amended standards adopted by the Company
The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2020:
• Definition of Material - amendments to Ind AS 1 and Ind AS 8
• Definition of a Business - amendments to Ind AS 103
• COVID-19 related concessions - amendments to Ind AS 116
• Interest Rate Benchmark Reform - amendments to Ind AS 109 and Ind AS 107
The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

c) Basis of measurement
The financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets and financial liabilities that are measured at fair value at the end of each reporting date as required under relevant Ind AS.

2.2 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 (including intangibles).

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. Refer note 27 for details of the estimates.

2.3 Current versus non-current classification
The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is classified as current when it satisfies any of the following criteria:
a) It is expected to be realised or intended to be sold or consumed in normal operating cycle
b) It is held primarily for the purpose of trading
c) It is expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current assets include the current portion of non-current assets. All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:
a) It is expected to be settled in normal operating cycle
b) It is held primarily for the purpose of trading
c) It is due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

2.3 Current versus non-current classification (continued)

Current liabilities include the current portion of non-current liabilities. The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.4 Foreign currency transactions and balances

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Initial recognition

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

Translation

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

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

2.5 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash comprises cash on hand. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.6 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) 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 operating, investing and financing activities of the Company are segregated based on the available information.

2.7 Revenue recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, the following five step approach is applied:

(1) identify the contract with a customer,
(2) identify the performance obligations in the contract,
(3) determine the transaction price,
(4) allocate the transaction price to the performance obligations in the contract, and
(5) recognize revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price the Company uses expected cost plus margin approach in estimating the stand-alone selling price.

For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

The method for recognizing revenues and costs depends on the nature of the services rendered:

a. Time and materials contracts

Revenues and costs relating to time and materials, transaction-based or volume-based contracts are recognized as the related services are rendered.

b. Fixed-price development contracts

Revenues from fixed-price contracts, including software development, and integration contracts, where the performance obligations are satisfied over time, are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on project labour costs incurred to date as a percentage of total estimated project labour costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company is not able to reasonably measure the progress of completion, revenue is recognized only to the extent of costs incurred for which recoverability is probable.

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2.7 Revenue recognition (continued)

c. Products

Revenue on software product licenses where the customer obtains a "right to use" are recognized when the customer obtains control of the specified asset usually on delivery of the software license to the customer. However, where the delivery is subject to acceptance from the customer the revenue is recognized on receipt of acceptance from the customer. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed.

d. Maintenance contracts

With respect to fixed-price maintenance contracts, where services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion.

e. Others

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price.

Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price. The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible considerations depending on which method better predicts the amount of consideration to which we may be entitled. Revenues are shown net of allowances/ returns, value added tax, goods and services tax and applicable discounts and allowances.

Revenue from services rendered to parent company, ultimate parent company and fellow subsidiaries is recognised on cost plus markup basis determined on arm's length principle as and when the related services are rendered

The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience.

The Company assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on fixed-price development contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Unbilled revenue on other than fixed price development contracts are classified as a financial asset where the right to consideration is unconditional upon passage of time.

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

2.8 Property, plant and equipment

Property, plant and equipment is carried at cost of acquisition less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, and non-refundable taxes, duties or levies, and any other directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. 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.

Property, plant and equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

The Company capitalises the cost of equipment purchased for specific clients, which is reimbursed by clients over the period of a project and does not capitalise equipment for which the client has borne the cost.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

2.9 Intangible assets

Goodwill arising from amalgamation is measured at cost less accumulated impairment loss.

Other intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

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2.10 Depreciation and amortisation

Depreciation on property, plant and equipment is provided on the straight-line method over the estimated useful lives of the assets. If the management's estimate of the useful life of a property, plant and equipment at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged below, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life.

The Company has used the following useful lives to provide depreciation on its fixed assets:

Category	*Useful life estimated*
Buildings [(1)]	30
Plant and equipments	
Air conditioners	5
Others [(1)]	7
Computer equipments [(1)]	3
Furniture and fixtures [(1)]	5
Office equipments	2-5
Motor vehicles [(1)]	3
Software	3-5
Customer contract	1.5
Customer relationship	8
Trademark	3
Non-compete	5

(1) For these classes of assets based on technical advice taking into account the nature, the estimated usage, the operating conditions of the asset, past history of replacement, anticipated technological changes, and maintenance support, etc., the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence, useful lives for these assets are different than the useful lives prescribed under the Companies Act, 2013.

Depreciation on additions to fixed assets is provided on a pro-rata basis from the date the assets are put to use. Depreciation on sale/deduction from fixed assets is provided up to the date of sale, deduction or discardment as the case may be.

Cost of equipments purchased for specific clients is depreciated over the useful lives or the contract period, whichever is shorter.

Leasehold improvements are depreciated over the shorter of their useful life or the lease term.

2.11 Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.11 Leases (continued)

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right- of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

2.12 Financial instruments

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

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

(ii) Classification and subsequent measurement

Financial assets

Initial recognition and measurement
On initial recognition, a financial asset is classified as measured at
- amortised cost;
- FVOCI - debt investment;
- FVOCI - equity
- 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.

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2.12 Financial instruments (continued)

(iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

(iv) Offsetting

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

(v) Derivative instruments and hedge accounting

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

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

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

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

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

Cash Flow Hedges

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

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

Embedded foreign currency derivatives

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

• the functional currency of any substantial party to that contract,

• the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,

• a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

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

2.13 Fair value measurement

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For all other financial instruments, the carrying amounts approximate fair value due to the short maturity of those instruments.

2.14 Impairment

a) Financial assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Statement of Profit and Loss.

b) Non-financial assets

(i) *Goodwill*

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Company's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in the Statement of Profit and Loss and is not reversed in the subsequent period.

(ii) *Intangible assets and property, plant and equipment*

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.15 Employee benefits

(i) Short-term employee benefits

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

(ii) Post-employment benefits

(a) Defined benefit plan - Provident fund

The provident fund plan is a post-employment benefit plan under which the Company pays specified monthly contributions to a separate Trust. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. Additionally, under the plan described above, the Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the interest rate prescribed by the Government every year to be paid on the accumulated contributions. The Company measures this liability for any interest rate shortfall through actuarial valuation as a defined benefit obligation.

Further, based on the legal opinion obtained from an independent legal counsel, the Company is obligated to make good the loss incurred by the Trust in respect of bad investments. Based on the legal opinion, the Company considers the provident fund plan as a defined benefit plan. The liability, accordingly, is now being determined actuarially.

(b) Defined contribution plan - Provident fund

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

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2.15 Employee benefits (continued)

(c) Defined benefit plan - Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Such net obligation is recognized either as an asset or as a liability in the balance sheet. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by a qualified actuary using the Projected Unit Credit Method. The present value of the obligation under such benefit plan is determined based on an actuarial valuation using the Projected Unit Credit Method which recognizes each period of service that gives rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The discounted rates used for determining the present value are based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized in other comprehensive income, net of taxes, for the period in which they occur. All expenses related to defined benefit plan is recognised in employee 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.

(d) Defined benefit plan - Pension

The Company maintains a defined benefit pension plan in respect of employees transferred from Lucent Technologies GmbH ('Lucent') in terms of an agreement executed on 18 February 2003 whereby certain pension benefit obligations were transferred to the Company. The annual contribution to the plan is based on an actuarial valuation and is charged to the Statement of Profit and Loss.

(iii) Other long-term employee benefit obligations
Compensated absences

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

2.16 Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a 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.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Warranty provisions

Provisions for warranty-related costs are recognised when the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Site restoration obligation

The Company records a provision for site restoration costs to be incurred for the restoration of leased land and building at the end of the lease period. Site restoration costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Onerous Contracts

A contract is considered as onerous when the expected economic benefits to be derived by the 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.

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2.17 Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.18 Taxes

a) Current tax

Current tax expense is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

The current income tax charge for current and prior periods is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its branches operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

b) Deferred tax

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

c) Minimum Alternate Tax (MAT)

MAT payable is recognised as an asset in the year in which credit in respect of MAT paid in earlier years becomes eligible and is set off in the year in which the Company becomes liable to pay income taxes at the enacted tax rates as indicated in the Income Tax Act, 1961. Further, a MAT credit is recognised only if there is a reasonable certainty that these assets will be realised in the future and their carrying values are reviewed for appropriateness at each balance sheet date.

d) Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.19 Earnings per share

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

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

2.20 Employee stock compensation

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

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2.21 Common control business combinations

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

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

2.23 Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment.

2.24 Segment reporting

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).
The Board of Directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions and has been identified as being the CODM.

2.25 Material events

Material adjusting events occurring after the balance sheet date are taken into cognizance.

2.26 Reclassification
Previous year's figures have been reclassified to confirm to this year's classification.

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3. Property, plant and equipment and capital work-in-progress

Particulars	Leasehold improvement - Owned	Leasehold improvement - Under finance lease*	Plant and equipments	Computer equipments - Owned	Computer equipments - Under finance lease**	Furniture and fixtures	Office equipments	Vehicles	Total	Capital work-in-progress
Cost or deemed cost										
As at 1 April 2019	**1,023**	**49**	**315**	**2,471**	**142**	**239**	**247**	**8**	**4,494**	**11**
Additions	27	-	7	187	-	10	30	-	**261**	282
Disposals	-	-	8	55	-	-	10	-	**73**	-
Transition impact of IndAS 116	-	49	-	-	142	-	-	-	**191**	-
Assets capitalised	-	-	-	-	-	-	-	-	**-**	289
As at 31 March 2020	**1,050**	**-**	**314**	**2,603**	**-**	**249**	**267**	**8**	**4,491**	**4**
Addition on account of Merger	4	-	-	34	-	34	8	-	**80**	3
Additions	81	-	-	275	-	5	25	-	**386**	433
Disposals	-	-	2	9	-	-	-	-	**11**	-
Assets capitalised	-	-	-	-	-	-	-	-	**-**	414
As at 31 March 2021	**1,135**	**-**	**312**	**2,903**	**-**	**288**	**300**	**8**	**4,946**	**26**
Accumulated depreciation										
As at 1 April 2019	**471**	**30**	**196**	**2,028**	**100**	**164**	**175**	**5**	**3,169**	-
Charge for the year	144	-	53	326	-	48	38	1	**610**	-
On disposals	-	-	7	52	-	-	9	-	**68**	-
Transition impact of IndAS 116	-	30	-	-	100	-	-	-	**130**	
As at 31 March 2020	**615**	**-**	**242**	**2,302**	**-**	**212**	**204**	**6**	**3,581**	-
Addition on account of Merger	2	-	-	33	-	34	8	-	**77**	
Charge for the year	152	-	35	222	-	18	31	1	**459**	-
On disposals	-	-	2	9	-	-	-	-	**11**	-
As at 31 March 2021	**769**	**-**	**275**	**2,548**	**-**	**264**	**243**	**7**	**4,106**	-
Carrying value										
As at 31 March 2021	**366**	-	**37**	**355**	-	**24**	**57**	1	**840**	**26**
As at 31 March 2020	435	-	72	301	-	37	63	2	910	4

*On transition to IndAS 116, the Company had reclassified carrying values as on 1 April 2019 to Right of Use assets (refer note 4)

**On transition to IndAS 116, the Company had opted to avail the exemption for low value assets and account the payments as operating expenses in the Statement of Profit and Loss.

Refer note 31 for for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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4. Leases

This note provides the information for leases where the company is a lessee. The company leases various buildings, lease hold improvements and vehicles.

Right of use asset

	Buildings	Lease hold improvements	Vehicles	Total
Cost				
As at 01 April 2019	**2,601**	**49**	**-**	**2,650**
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31 March 2020	**2,601**	**49**	**-**	**2,650**
Additions	316	-	423	**739**
Disposals	74	-	103	**177**
As at 31 March 2021	**2,843**	**49**	**320**	**3,212**
Amortisation				
As at 01 April 2019	**-**	**30**	**-**	**30**
Charge for the year	701	2	-	**703**
On disposals	-	-	-	-
As at 31 March 2020	**701**	**32**	**-**	**733**
Charge for the year	684	2	223	**909**
On disposals	47	-	77	**124**
As at 31 March 2021	**1,338**	**34**	**146**	**1,518**
Carrying amounts				
As at 31 March 2021	**1,505**	**15**	**174**	**1,694**
As at 31 March 2020	1,900	17	-	1,917

The following is the break-up of current and non-current lease liabilities as at:

	31 March 2021	31 March 2020
Current lease liabilities	689	618
Non-current lease liabilities	1,115	1,348
Total	**1,804**	**1,966**

The following is the movement in lease liabilities during the year ended:

	31 March 2021	31 March 2020
Balance at the beginning	1,966	2,530
Additions	739	-
Finance cost accrued during the period	205	189
Leases cancelled	(54)	-
Payment of lease liabilities	(1,052)	(753)
Balance at the end	**1,804**	**1,966**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis as at:

	31 March 2021	31 March 2020
Less than one year	817	772
One to five years	1,109	1,451
More than five years	180	124
Balance at the end	**2,106**	**2,347**

Rental expense recorded for short-term and low value leases was INR 165 million during the year ended 31 March 2021 (31 March 2020 INR 52 million).

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset as at:

	31 March 2021	31 March 2020
Less than one year	19	17
One to five years	15	34
Balance at the end	**34**	**51**

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5. Intangible assets

Particulars	Goodwill	Software	Trade name	Customer relationships	Non-compete	Customer contract	Total
Cost or deemed cost							
As at 1 April 2019	**4,874**	**438**	-	-	-	-	**5,312**
Additions	-	88	-	-	-	-	88
Disposals/adjustments	-	1	-	-	-	-	1
As at 31 March 2020	**4,874**	**525**	-	-	-	-	**5,399**
Addition on account of Merger	2,929	-	115	1,066	52	112	4,274
Additions	-	28	-	-	-	-	28
Disposals/adjustments	-	-	-	-	-	-	-
As at 31 March 2021	**7,803**	**553**	**115**	**1,066**	**52**	**112**	**9,701**
Amortisation							
As at 1 April 2019	-	**314**	-	-	-	-	**314**
Charge for the year	-	84	-	-	-	-	84
On disposals	-	3	-	-	-	-	3
As at 31 March 2020	-	**395**	-	-	-	-	**395**
Addition on account of Merger	-	-	115	621	48	112	896
Charge for the year	-	79	-	133	4	-	216
On disposals	-	-	-	-	-	-	-
As at 31 March 2021	-	**474**	**115**	**754**	**52**	**112**	**1,507**
Carrying value							
As at 31 March 2021	**7,803**	**79**	-	**312**	-	-	**8,194**
As at 31 March 2020	4,874	130	-	-	-	-	5,004

Net Book Value

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Goodwill	7,803	4,874
Other intangible assets	391	130
Total	**8,194**	**5,004**

Impairment tests for goodwill

(i) - Goodwill is monitored by management at the level of operating segments identified in note 33.

(ii) Significant estimate: Key assumptions used for value-in-use calculations

The Company tests whether goodwill has suffered any impairment on an annual basis. For the current and previous financial year, the recoverable amount of the cash generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The following table sets out the key assumptions:

	31 March 2021	**31 March 2020**
Sales volume (annual growth rate)	4%	5%
Gross budgeted margin	32%	32%
Annual capital expenditure (in INR million)	346	335
Long-term growth rate	3%	3%
Pre-tax discount rate	12%	12%

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5. Intangible assets (continued)

Assumption Approach used to determine values
Sales volume growth rate over the five-year forecast period: based on past performance and management's expectations of market development.

Budgeted gross margin: Based on past performance and management's expectations for the future.

Annual capital expenditure: This is based on the historical experience of management, and the planned refurbishment expenditure. No incremental revenue or cost savings are assumed in the value-in-use model as a result of this expenditure.

Long-term growth rate: This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

Pre-tax discount rates: Reflect specific risks relating to the relevant industry and the countries in which they operate.

6. Loans

	Non-current as at		Current as at	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Security deposits				
Unsecured, considered good	342	321	28	3
Unsecured, considered doubtful	16	15	66	66
Less: Provision for doubtful deposits	(16)	(15)	(66)	(66)
Total	**342**	**321**	**28**	**3**

7. Other financial assets

	Non-current as at		Current as at	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Other financial assets (at amortised cost)				
Unbilled revenue	-	-	561	2,014
Deposits with banks with original maturity for more 12 months	-	46	-	-
Interest accrued on bank deposits but not due	-	-	2	5
Other	-	-	16	17
Total other financial assets (at amortised cost)	-	**46**	**579**	**2,036**
Derivative instruments at fair value through profit or loss				
Foreign exchange forward and option contracts	-	-	20	18
Total derivative instruments at fair value through profit or loss	-	-	**20**	**18**
Derivative instruments designated as hedging instruments at fair value through other comprehensive income				
Foreign exchange forward contracts	-	-	159	4
Total derivative instruments designated as hedging instruments fair value through other comprehensive income	-	-	**159**	**4**
Total	**-**	**46**	**758**	**2,058**

Break up of financial assets carried at fair value through profit or loss

	Current as at	
	31 March 2021	31 March 2020
Foreign exchange forward and option contracts (Refer note 7)	20	18
Investments in mutual funds (refer note 12)	9,035	-
Total	**9,055**	**18**

Break up of financial assets carried at fair value through other comprehensive income

	Current as at	
	31 March 2021	31 March 2020
Foreign exchange forward contracts (Refer note 7)	159	4
Total	**159**	**4**

Break up of financial assets carried at amortised cost

	Non-current as at		Current as at	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Loans (Refer note 6)	342	321	28	3
Trade receivable (Refer note 9)	-	-	8,849	12,105
Cash and cash equivalents (Note 10)	-	-	1,390	1,787
Other bank balances (Refer note 11)	-	-	-	22
Other financial assets (Refer note 7)	-	46	579	2,036
Total	**342**	**367**	**10,846**	**15,953**

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8. Other assets

	Non-current as at		Current as at	
	31 March 2021	**31 March 2020**	**31 March 2021**	**31 March 2020**
Capital advances:				
Others	435	411	-	-
Advances (other than capital advances):				
Advance to suppliers	-	-	111	43
Advances to employee	-	-	21	56
	435	**411**	**132**	**99**
Balances with government authority	322	241	152	61
Prepaid expenses	-	-	298	254
Unbilled revenue#	-	-	84	132
Security deposits	28	28	-	-
Others	-	-	8	2
Total	**785**	**680**	**674**	**548**

#Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestone.

9. Trade receivables

	As at	
	31 March 2021	**31 March 2020**
Unsecured		
Trade receivables - related parties (Refer note 32)	6,703	10,014
Trade receivables - others	2,295	2,266
Less: loss allowance	(149)	(175)
Total	**8,849**	**12,105**

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person or from firms or private companies in which any director interested.

Of the total trade receivables balance 76% as at 31 March 2021 (83% as at 31 March 2020) is due from group companies. There are no external customers who represents more than 10% of the total balance of the trade receivables.

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.

10. Cash and cash equivalents

	As at	
	31 March 2021	**31 March 2020**
Balances with banks:		
- in current accounts	370	383
- in EEFC accounts	384	648
- in deposits with original maturity of less than three months	636	756
Total	**1,390**	**1,787**

11. Other bank balances

	As at	
	31 March 2021	**31 March 2020**
Deposits with original maturity for more than 3 months but less than 12 months	-	22
Total	**-**	**22**

12. Investments

	As at	
	31 March 2021	**31 March 2020**
Non-current investments		
Investment in subsidiary - unquoted carried at cost		
Aricent Technologies Private Limited		
Nil (31 March 2020: 9,999 Equity shares), Par Value: INR 10 each, fully paid up (refer note 39)	-	5,609
Non-current investments - carrying value	**-**	**5,609**

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12. Investments (continued)

	As at	
	31 March 2021	**31 March 2020**
Current Investments		
Investments in mutual funds -quoted carried at fair value through profit and loss		
2,283,102.77 (31 March 2020: Nil) units in ABSL Liquid Fund - Growth - Direct	757	-
914,938.66 (31 March 2020: Nil) units in ABSL Low Duration Fund - Growth - Direct	505	-
304,383.01 (31 March 2020: Nil) units in IDFC Cash Fund - Growth - Direct	757	-
16,465,774.22 (31 March 2020: Nil) units in IDFC Low Duration Fund - Growth - Direct	505	-
1,655,921.96 (31 March 2020: Nil) units in ICICI Prudential Liquid Fund - Growth - Direct	505	-
3,927,461.53 (31 March 2020: Nil) units in ICICI Prudential Money Market Fund - Growth - Direct	1,160	-
78,313.53 (31 March 2020: Nil) units in SBI Liquid Fund - Direct- Growth	252	-
33,918,076.24 (31 March 2020: Nil) units in SBI Savings Fund - Direct- Growth	1,160	-
174,028.14 (31 March 2020: Nil) units in Kotak Money Market Fund - Growth - Direct	606	-
11,646,861.19 (31 March 2020: Nil) units in Kotak Savings Fund - Growth - Direct	404	-
361,064.05 (31 March 2020: Nil) units in Nippon India Money Market Fund - Growth - Direct	1,163	-
186,962.82 (31 March 2020: Nil) units in HDFC Liquid Fund - Growth - Direct	756	-
112,918.63 (31 March 2020: Nil) units in HDFC Money Market Fund - Growth - Direct	505	-
Current investments - carrying value	**9,035**	-
Total	**9,035**	-

Aggregate book value of quoted investments	**8,950**	-
Aggregate market value of quoted investments	**9,035**	-
Aggregate value of unquoted investments	-	**5,609**

13. Share capital

	As at	
	31 March 2021	**31 March 2020**
Authorised		
140,100,000 (31 March 2020 – 140,000,000) equity shares of INR 10 each)	1,401	1,400
1,500,000,000 (31 March 2020 – 1,500,000,000) redeemable optionally convertible non-cumulative 0.001% preference shares of INR 10 each)	15,000	15,000
100,000 (31 March 2020 – Nil) redeemable preference shares of INR 10 each	1	-
	16,402	**16,400**
Issued, subscribed and fully paid-up		
131,196,104 (31 March 2020 - 131,196,104) equity shares of INR 10 each	1,312	1,312
Total	**1,312**	**1,312**

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	As at 31 March 2021		As at 31 March 2020	
	Number	**INR in million**	**Number**	**INR in million**
Equity shares				
At the commencement of the year	131,196,104	1,312	131,196,104	1,312
At the end of the year	**131,196,104**	**1,312**	**131,196,104**	**1,312**

Rights, preferences and restrictions attached to equity shares
The Company has one class of equity shares having a par value of INR 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

	As at 31 March 2021		As at 31 March 2020	
	Number	**INR in million**	**Number**	**INR in million**
Equity shares of INR 10 each fully paid up held by				
(a) Aricent Holdings Mauritius Limited, Mauritius, the holding company*	-	-	105,429,478	1,054
(b) Aricent Holdings Mauritius India Limited, Mauritius, subsidiary of the ultimate holding company*	-	-	23,476,578	235
(c) Capgemini Technology Services India Limited, the holding company**	128,906,056	1,289	-	-

*till 22 November 2020. **from 23 November 2020

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13. Share capital (continued)

Particulars of shareholders holding more than 5% shares of a class of shares

	As at 31 March 2021		As at 31 March 2020	
	Number	% of total shares in the class	Number	% of total shares in the class
Equity shares of INR 10 each fully paid up held by				
(a) Aricent Holdings Mauritius Limited, Mauritius, the holding company*	-	0.00%	105,429,478	80.36%
(b) Aricent Holdings Mauritius India Limited, Mauritius, subsidiary of the ultimate holding company*	-	0.00%	23,476,578	17.89%
(c) Capgemini Technology Services India Limited, the holding company**	128,906,056	98.25%	-	0.00%

There are no bonus issue and buy back of equity shares during the period of five years immediately preceding the reporting date.

*till 22 November 2020. **from 23 November 2020

14. Other equity

	As at	
	31 March 2021	31 March 2020
Capital redemption reserve		
At the commencement and at the end of the year	**3,544**	**3,544**
Securities premium reserve		
At the commencement of the year	500	500
At the end of the year	**500**	**500**
Retained earnings		
At the commencement of the year	19,778	13,062
Add: addition on account of Merger	325	-
Add: IndAS 116 Lease transition impact	-	48
Adjusted balance at the commencement of the year	**20,103**	**13,110**
Add: Profit for the year	1,960	7,027
Add: Other comprehensive income / (loss)	282	(359)
At the end of the year	**22,345**	**19,778**
Cash flow hedge reserve		
At the commencement of the year	(220)	70
Changes during the year (net)	323	(290)
At the end of the year	**103**	**(220)**
Capital reserve		
At the commencement of the year	-	-
Add: addition on account of Merger	(1,738)	-
At the end of the year	**(1,738)**	**-**
Deemed contribution from parent company		
At the commencement of the year	33	33
At the end of the year	**33**	**33**
Total	**24,787**	**23,635**

Nature of reserves

a. Capital redemption reserve

The Company has recognised capital redemption reserve on redemption of preference shares from its retained earnings. The amount in capital redemption reserve is equal to nominal amount of the preference share redeemed.

b. Securities premium reserve

The amount received in excess of face value of the equity shares is recognised in securities premium reserve.

c. Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to capital redemption reserve, dividends or other distributions paid to shareholders.

d. Cash flow hedge reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedged transaction occurs.

e. Capital reserve

The Company has recorded excess of net assets over non-controlling interest and payment of differential value related to swap of investments under capital reserve.

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14. Other equity (continued)

f. Deemed contribution from the parent company
During prior years, certain banks have issued bank guarantees on behalf of the Company to various parties such as sales tax department, customers etc. Aricent Technologies, Cayman Islands (erstwhile intermediate holding company) and Aricent Technologies Mauritius Limited (group company) has issued stand-by letters of credit to these banks on behalf of the Company. As these companies did not charge any amount for issuing such letter of credit, the financial guarantee was fair valued and has been presented as deemed contribution from the parent company with a corresponding debit in finance cost.

15. Other financial liabilities

	Current as at	
	31 March 2021	31 March 2020
Other financial liabilities at amortised cost		
Employee related liabilities	800	524
Payable towards purchase of property, plant and equipment	51	58
Security deposits	-	17
Total other financial liabilities at amortized cost	**851**	**599**
Derivative instruments at fair value through profit or loss		
Foreign exchange forward contracts	-	36
Total derivative instruments at fair value through profit or loss	-	**36**
Derivative instruments designated as hedging instruments at fair value through other comprehensive income		
Foreign exchange forward contracts	-	342
Total derivative instruments designated as hedging instruments at fair value through other comprehensive income	-	**342**
Total	**851**	**977**

Break up of financial liabilities carried at fair value through profit or loss

	Current as at	
	31 March 2021	31 March 2020
Foreign exchange forward contracts	-	36
Total	-	**36**

Break up of financial liabilities carried at amortised cost

	Current as at	
	31 March 2021	31 March 2020
Trade payables (Refer Note 19)	1,554	1,690
Other financial liabilities (Refer Note 15)	851	599
Total	**2,405**	**2,289**

Break up of financial liabilities carried at fair value through other comprehensive income

	Current as at	
	31 March 2021	31 March 2020
Foreign exchange forward contracts	-	342
Total	-	**342**

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16. Provisions

	Non-current as at		Current as at	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Provision for employee benefits				
Gratuity (Refer note 29)	1,538	1,278	124	91
Pension plan (Refer note 29)	234	221	20	15
Provident Fund - defined benefit obligation (Refer note 29 and 37)	-	577	149	-
Compensated absences (Refer note 29)	-	-	943	756
	1,772	**2,076**	**1,236**	**862**
Other provisions				
Provision for warranty	-	-	31	27
Provision for site restoration	52	50	6	5
	52	**50**	**37**	**32**
Total	**1,824**	**2,126**	**1,273**	**894**

Movement in provision for warranty and site restorations

	Provision for warranty	Provision for site restoration
As at 1 April 2019	**27**	**52**
Provision made during the year	-	3
As at 31 March 2020	**27**	**55**
Addition on account of Merger	-	1
Provision made during the year	4	2
As at 31 March 2021	**31**	**58**

17. Income tax

The major components of income tax expense for the year ended 31 March 2021 and 31 March 2020 are:

Profit and Loss section

	Year ended	
	31 March 2021	31 March 2020
Current tax*:		
Current tax charge	929	717
Previous year tax charge / (income)	(194)	(603)
	735	**114**
Deferred tax:		
MAT credit recognised	-	(2,827)
MAT credit utilized	531	894
Relating to origination and reversal of temporary differences	(357)	(1,721)
	174	**(3,654)**
Income tax expense charged/(reversed) in the Statement of Profit and Loss	**909**	**(3,540)**

* Includes interest charge related to current tax expense

Other Comprehensive Income (OCI) section

Deferred tax related to items recognised in OCI during the year :

Particulars	Year ended	
	31 March 2021	31 March 2020
Income on net gain/(loss) on remeasurements of defined benefit plans	152	(205)
Income/(expense) on effective portion of cash flow hedges	174	(156)
Income tax charged/(reversed) to OCI	**326**	**(361)**

Reconciliation of tax expense and the accounting profit multiplied by tax rate for 31 March 2021 and 31 March 2020:

Particulars	Year ended	
	31 March 2021	31 March 2020
Accounting profit before income tax	**2,869**	**3,487**
At statutory income tax rate of 34.944% (31 March 2020: 34.944%)	1,003	1,218
Adjustments in respect of current income tax of previous years	(194)	(603)
Deferred tax adjustments as per tax return of previous years	11	(4,309)
Tax exemption u/s 10AA	(36)	(56)
Tax deduction u/s 80G	(5)	(10)
Reversal of excess DTA and DTL due to proposed change in tax rate in future (from 34.944% to 25.168%)	(217)	-
Other items	347	220
Income tax charged/(reversed) in the Statement of Profit and Loss	**909**	**(3,540)**

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17. Income tax (continued)

Deferred tax assets (net)

	As at	
	31 March 2021	**31 March 2020**
Deferred tax asset relates to the following:		
Provision for employee benefits	875	1,002
Receivables and financial assets carried at amortised cost	62	74
Property, plant and equipment	280	251
MAT Credit entitlement	1,402	1,933
Other non-current liabilities	21	29
Cash flow hedge	-	119
Others	594	683
Total deferred tax asset (A)	**3,234**	**4,091**
Deferred tax liability relates to the following:		
Goodwill	1,227	1,481
Cash flow hedge	85	-
Others	558	643
Total deferred tax liabilities (B)	**1,870**	**2,124**
Deferred tax assets recognised (net) (C = (A-B))	**1,364**	**1,967**

Income tax	**Non-current as at**	
	31 March 2021	**31 March 2020**
Income tax assets (net)*	1,144	1,158
Income tax liabilities (net)	842	876

* Includes deposits paid under dispute of INR 82 million (31 March 2020: INR 82 million)

The movement in net deferred tax asset has been recorded through the Statement of Profit and Loss, except deferred tax related to remeasurements of defined benefit plans, amounting to INR 152 million (31 March 2020: INR 205 million) created through OCI; and deferred tax related to cash flow hedge reserve, amounting to INR 174 million (31 March 2020: INR 156 million) created through OCI.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In assessing the realisability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realise the benefits of those deductible differences in future.

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 such information and documentation to be contemporaneous in nature, the Company would ensure documentation of international transactions with the associated enterprises during the financial year and expects such records to be in existence latest by such date as required under law. 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 expense and that of provision for taxation.

18. Other liabilities

	Non-current as at		Current as at	
	31 March 2021	**31 March 2020**	**31 March 2021**	**31 March 2020**
Statutory liabilities	-	-	466	394
Unearned revenue	-	-	141	74
Advances from customers	-	-	66	8
Deferred rent	-	1	-	-
Other liabilities	124	118	79	68
Total	**124**	**119**	**752**	**544**

19. Trade payables

	As at	
	31 March 2021	**31 March 2020**
Trade payables		
- Due to micro and small enterprises	*	-
- Due to related parties (refer note 32)	1,108	1,072
- Others	446	618
Total	**1,554**	**1,690**

*Below rounding off norms, refer note 38.

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19. Trade payables (continued)

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

The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31 March 2021 (31 March 2020: nil). The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the micro and small enterprises should mention in their correspondence with its customers the entrepreneur's memorandum number as allocated after filing of the memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at 31 March 2021 has been made in the financial statements based on the information received and available with the Company.

	As at	
	31 March 2021	31 March 2020
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	*	-
- Interest	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	9	3
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
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	-	-

*Below rounding off norms, refer note 38.

20. Revenue from operations

	Year ended	
	31 March 2021	31 March 2020
Sale of services (revenue recognized over time)	25,383	24,578
Product sale (revenue recognized point in time)	83	88
Total	**25,466**	**24,666**

Revenue from sale of services includes INR 127 million (31 March 2020: INR 95 million) towards out of pocket expenses reimbursed by the customers.

Disaggregated Revenue Information

The table below presents disaggregated revenues from contracts with customers by contract-type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

	Year ended	
Type of Contracts	31 March 2021	31 March 2020
Fixed Price	3,829	3,162
Time and Material	21,554	21,416
Product License	58	59
Maintenance	25	29
Total	**25,466**	**24,666**

Reconciliation of revenue recognized with the contracted price is as follows

	Year ended	
	31 March 2021	31 March 2020
Contracted price	25,569	24,731
Discounts	(103)	(65)
Total	**25,466**	**24,666**

The Company has presented contract assets as "unbilled revenues" in other current assets and contract liabilities as "unearned revenues" in other current liabilities in the balance sheet.

	Contract assets		Contract liabilities	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Balances as at the end of the year	84	132	141	74

Changes in contract assets and liabilities in respective financial years are due to the following factors:
- timing differences between revenue recognition, billing and collection, leading to the recognition of trade receivables and contract assets;
- the receipt of advances from customers, leading to the recognition of contract liabilities (advances from customers and billed in advance).

Trade Receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognised as related service are performed. Revenue for fixed price maintenance contracts is recognized on a straight-line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

(All amounts in INR million, unless otherwise stated)

20. Revenue from operations (continued)

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

During the year, the Company recognized revenue of INR 62 million arising from opening unearned revenue as of beginning of the financial year (31 March 2020: INR 6 million).

During the year, INR 132 million of unbilled revenue pertaining to fixed price development contracts as of beginning of the financial year (31 March 2020: INR 201 million) has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Performance obligations and remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as of the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in IND AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where revenue is equal to the invoicing to the customer. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2021, other than those meeting the exclusion criteria mentioned above, is INR 707 million (31 March 2020: INR 858 million). Out of this, the Company expects to recognize revenue of around 100% (31 March 2020: 96%) within the next one year. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

21. Other income (net)

	Year ended	
	31 March 2021	**31 March 2020**
Liabilities/provisions no longer required written back (refer note 32)	13	118
Export incentives	72	144
Interest income (refer note (i) below)	48	49
Rent income (refer note 32)	35	68
Gain on sale of current investment (net)	-	24
Fair value gain on mutual funds	85	-
Gain on sale of property, plant and equipment (net)	3	3
Exchange gain (net)	377	396
Miscellaneous income	1	1
Total	**634**	**803**

Notes:

(i) Interest income comprises of:

	Year ended	
	31 March 2021	**31 March 2020**
Unwinding of discount on security deposits	15	31
Interest income on bank deposits	31	17
Interest on income tax refund	2	1
Total	**48**	**49**

22. Employee benefit expenses

	Year ended	
	31 March 2021	**31 March 2020**
Salaries, bonus and incentives	15,625	14,055
Contributions to provident and other funds	575	465
Retirement benefits expense (refer note 29)	324	276
Compensated absences	326	615
Share based payments to employees (refer note 38)	*	-
Staff welfare expenses	197	216
Total	**17,047**	**15,627**

* Amount is below rounding convention used in preparation of the financial statements. Refer note 38.

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23. Finance costs

	Year ended	
	31 March 2021	31 March 2020
Interest on finance lease arrangements	205	189
Interest accretion on security deposit received	1	2
Unwinding of discount		
- on asset restoration obligation	3	2
Total	**209**	**193**

24. Depreciation and amortisation expense

	Year ended	
	31 March 2021	31 March 2020
Depreciation of property, plant and equipment (refer note 3)	459	610
Depreciation of right of use assets (refer note 4)	909	703
Amortisation of intangible assets (refer note 5)	216	84
Total	**1,584**	**1,397**

25. Other expenses

	Year ended	
	31 March 2021	31 March 2020
Sub-contracting expenses (refer note 32)	1,554	1,860
Repairs and maintenance		
- Building	186	241
- Plant and equipments	663	466
- Others	1	1
Travelling and conveyance	314	929
Group management fees (refer note 32)	315	-
Legal and professional charges	211	144
Power and fuel	183	231
Rent	165	52
Communication expenses	163	126
Housekeeping charges	152	173
Expenditure on corporate social responsibility (Refer note (i) below)	68	62
Recruitment expenses	60	63
Loss allowance on trade receivables	53	52
Training expenses	43	33
Rates and taxes	29	46
Consumption of stores and spares	27	7
Auditors' remuneration (Refer note (ii) below)	20	6
Insurance	14	13
Bank charges	9	20
Provision for doubtful deposits and advances	-	35
Provision for warranty	4	-
Miscellaneous expenses	157	205
Total	**4,391**	**4,765**

(i) Details of corporate social responsibility expenditure

The gross amount required to be spent by the Company on CSR activities is INR 68 million (31 March 2020 INR 62 million). The total expenditure incurred on 'Corporate Social Responsibility Activities' for the current year is INR 57 million (31 March 2020 INR 62 million). As per the amendment to section 135(6), the unspent amount of INR 11 million was duly deposited to unspent corporate social responsibility account subsequent to 31 March 2021 and such amount shall be spent by the Company in pursuance of its obligation towards the ongoing projects.

	Year ended	
	31 March 2021	31 March 2020
Amount required to be spent as per section 135 of the Companies Act, 2013	68	62
Ongoing projects, other than construction/acquisition of any assets		
Project- 1, She Arise Off-campus Women Empowerment Program	11	15
Project- 2, Arise Trans(forming) Lives Program	7	11
Project- 3 Arise PwD Employability Enhancement Program	4	9
Project - 4, ARISE Training of Trainers Program	-	11
Project-5, ARISE On-campus Program	-	13
Project 6 - COVID relief support	32	-
Other expenses	3	3
Total	**57**	**62**

Amount unpaid as on 31 March 2021 is INR 15 million (31 March 2020: Nil), this amount was paid subsequent to 31 March 2021.

25. Other expenses (continued)

(ii) Payments to the auditors comprises (net of input tax credit, where applicable):

	Year ended	
	31 March 2021	**31 March 2020**
Statutory audit fee	12	3
Tax audit fee	2	1
Other services	6	2
Out of pocket expenses	*	-
Total	**20**	**6**

*Below rounding off norms, refer note 38.

26. Earnings per share (EPS)
Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted EPS, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	Year ended	
	31 March 2021	**31 March 2020**
Profit attributable to equity holders for basic earnings	1,960	7,027
Weighted average number of equity shares for basic and diluted EPS (in million)	131	131
Basic EPS (absolute value in INR)	15	54
Diluted EPS (absolute value in INR)	15	54

27. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Determination of functional currency
The determination of functional currency often requires significant judgement where the primary economic environment in which they operate may not be clear. In determining the functional currency, judgement is required to determine the currency that mainly reflects the economic substance of the underlying economic event.

(b) 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, and liabilities 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.

(c) Impairment of non-financial assets
The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are combined together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Companys of assets ('CGU').

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

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27. Significant accounting judgements, estimates and assumptions (continued)

(d) Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 35 for further disclosures.

(e) Income taxes
The Company is subject to income tax laws as applicable in India and other countries. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(f) Deferred taxes
In assessing the realisability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realise the benefits of those deductible differences in future.

The Company has an option to move to a lower tax rate subject to conditions attached to it. As per the assessment done by the Company, it has decided to continue with the current tax rate as at March 31, 2021 and it has planned to adopt the lower tax rate of 25.168% in the near future based on the estimated recoverability of Minimum Alternate Tax credit. Deferred tax as at the end of the year is accordingly calculated based on the above.

(g) Estimation of defined benefits and compensated leave of absence
The present value of the provident fund, gratuity, pension and leave encashment obligation are determined using actuarial valuations. 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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity and leave encashment obligations are given in Note 29.

(h) 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.

(i) Allowance for trade receivables

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

(j) Leases
Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no material changes are required to lease period relating to the existing lease contracts.

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

(l) Estimation of uncertainties relating to the global health pandemic from COVID-19

The Novel Coronavirus (COVID-19) is a Global Pandemic and is rapidly spreading throughout the world. This event has significantly affected the socio-economic and business activities worldwide and, as a result, could affect the operations and financial statements of the Company. In line with the advisories, orders and directions issued by the respective local and state government authorities to prevent and contain the spread of Coronavirus outbreak, the Company has directed the employees to work remotely and the offices are under temporary shutdown till further notice. The Company has taken into cognizance all the possible impact of the known events arising from COVID-19 pandemic, and based on its review, there is no significant impact on its financial statements. However, the impact assessment of COVID-19 is a continuous process, given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions.

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28. Derivatives

The Company manages foreign currency exchange rate risk through the use of derivative financial instruments comprised of forwards contracts. All such derivative financial instruments are reported in the balance sheets at fair value with the changes in fair value of the derivative financial instrument recognised in the Statement of Profit and Loss for derivatives not designated as hedging instruments; and in other comprehensive income for derivatives designated as hedging instruments. The Company does not use derivative financial instruments for trading or speculative purposes.

The underlying hedged transactions for balance in cash flow hedge reserve as at 31 March 2021 are excpected to occur and reclassified to the Statement of Profit and Loss within 12 months.

Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effective assessments to ensure that an economic relationship exists between the hedged item and hedging investment, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

The total gross notional amount by type of derivative financial instruments as of 31 March 2021 is as follows:

Forward Contracts Outstanding (Amounts in millions)

	Currency to Sell	Notional Coverage	Foreign Currency
US dollar (contracts to sell USD/buy INR)			
- designated as hedging instruments	USD	INR 7,745	102
- not designated for hedge instruments	USD	INR 5,624	76
Euro (contracts to sell Euro/buy INR)			
- designated as hedging instruments	EUR	INR 399	4
- not designated for hedge instruments	EUR	INR 224	3

The total gross notional amount by type of derivative financial instruments as of 31 March 2020 is as follows:

Forward Contracts Outstanding (Amounts in millions)

	Currency to Sell	Notional Coverage	Foreign Currency
US dollar (contracts to sell USD/buy INR)			
- designated as hedging instruments	USD	INR 7,535	103
- not designated for hedge instruments	USD	INR 7,761	103

The movement in cash flow hedging reserve for derivatives designated as hedging instruments is as follows:

	31 March 2021	31 March 2020
Balance at the beginning of the year - liability	(220)	(70)
Change in the fair value of effective portion of cash flow hedges - gain/(loss)	159	(338)
Deferred tax on fair value of effective portion of cash flow hedges	(56)	118
Gain / (loss) transferred to profit and loss on occurrence of forecasted hedge transactions	338	108
Deferred tax on gain / (loss) transferred to profit and loss on occurrence of forecasted hedge transactions	(118)	(38)
Balance at the end of the year - asset / (liability)	**103**	**(220)**

Net foreign exchange gains include gain of INR 338 million and gain of INR 108 million transferred from cash flow hedging reserve for the years ended 31 March 2021 and 2020, respectively.

Net gain on derivative instruments of INR 159 million recognised in cash flow hedging reserve as at 31 March 2021, is expected to be transferred to the Statement of Profit and Loss by 31 March 2022. The maximum period over which the exposure to cash flow variability has been hedged is through 31 March 2022.

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29. Employee benefits

Defined benefit obligation

(i) Provident fund

The Company makes contributions to the Aricent Employees Provident Fund Trust ("the Trust"), under the rules of this scheme, the Company is required to contribute a specified percentage of payroll costs to the fund. During the year, the Company's contribution under this scheme amounted to INR 339 million (31 March 2020: INR 297 million).

In respect of the defined benefit plan, as explained in accounting policy, the following tables set forth the movement in plan liabilities, assets, etc.

		As at	
		31 March 2021	**31 March 2020**
Present value of defined benefit obligation			
Balance as at the beginning of the period		7,258	6,287
Current service cost		342	328
Employee Contribution		530	516
Interest cost on the DBO		471	504
Acquisitions (credit)/ cost		317	253
Actuarial loss/(gain) - experience		130	(27)
Actuarial loss - financial assumptions		63	208
Benefits paid from plan assets		(629)	(811)
Balance as at the end of the period	**(A)**	**8,482**	**7,258**
Fair value of plan assets			
Balance as at the beginning of the period		6,681	6,574
Acquisition adjustment		317	253
Interest income on plan assets		451	510
Contribution to Fund (Employer)		330	322
Employee Contribution		530	516
Return on plan assets greater/(lesser) than assumed		653	(683)
Benefits paid		(629)	(811)
Balance as at the end of the period	**(B)**	**8,333**	**6,681**
Amount recognized in balance sheet	**(A) - (B)**	**149**	**577**

Net cost recognized during the year ended

	31 March 2021	**31 March 2020**
Amount recognized in Statement of Profit and Loss		
Service cost	342	328
Net interest on net defined benefit liability / (asset)	20	(6)
Amount recognized in Other Comprehensive Income		
Actuarial (gain)/loss recognized in OCI	(460)	577
Net Defined benefit cost	**(98)**	**899**

The principal assumptions used in determining the defined benefit obligation are as follows:

	As at	
	31 March 2021	**31 March 2020**
Discount rate	6.30%	6.25%
Expected return on exempt provident fund	7.90%	8.00%
Expected return on EPFO	8.50%	8.50%

Plan asset category as at

	As at	
	31 March 2021	**31 March 2020**
Government of India Securities (Central and State)	63.96%	59.52%
High quality corporate bonds (including Public Sector Bonds)	29.23%	34.50%
Cash (including Special Deposits)	5.43%	1.05%
Mutual Funds	1.38%	4.93%
Total	**100.00%**	**100.00%**

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29. Employee benefits (continued)

(ii) Other defined benefit obligation

The components of the Gratuity plan and Pension plan benefit obligations are shown below:

Present value of defined benefit obligation

	Gratuity plan as at		Pension plan as at	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Balance as at the beginning of the year	1,424	1,360	236	230
Current service cost	212	172	2	1
Interest cost	104	103	3	4
Benefits paid	(150)	(206)	(3)	(5)
Prior service cost	7	-	-	-
Addition on account of merger and acquisitions	103	-	-	-
Exchange gain	-	-	8	16
Actuarial loss/(gain)	6	(5)	8	(10)
Balance as at the end of the year	**1,706**	**1,424**	**254**	**236**

Fair value of plan assets

	Gratuity plan as at		Pension plan as at	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Balance as at the beginning of the year	55	59	-	-
Expected return on plan assets	4	4	-	-
Contributions	100	200	-	-
Benefits paid	(143)	(206)	-	-
Addition on account of merger and acquisitions	28	-		
Actuarial gain/(loss)	*	(2)	-	-
Balance as at the end of the year	**44**	**55**	-	-

* Amount is below rounding convention used in preparation of the financial statements. Refer note 38.

The reconciliation of the present value of obligations and the fair value of plan assets to the assets and liabilities is as below:

	Gratuity plan as at		Pension plan as at	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Fair value of plan assets as at the end of the year*	44	55	-	-
Present value of defined benefit obligations as at end of the year	1,706	1,424	254	236
Liability recognised in the Balance Sheet as at the end of the year	**1,662**	**1,369**	**254**	**236**
Non-current	1,538	1,278	234	221
Current	124	91	20	15

* Plan assets are invested in bank balances and under schemes of insurance.

The net gratuity and pension cost for the below mentioned years is as follows:

	Gratuity plan year ended		Pension plan year ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Current service cost	212	172	2	1
Interest cost	104	103	3	4
Expected return on plan assets	(4)	(4)	-	-
Net actuarial loss/(gain)	6	(3)	8	(10)
Total	**318**	**268**	**13**	**(5)**

Amount recognised in the Statement of Profit and Loss:

	Gratuity plan year ended		Pension plan year ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Current service cost	212	172	2	1
Prior service cost	7	-	-	-
Net interest expense	100	99	3	4
Total	**319**	**271**	**5**	**5**

Amount recognised in other comprehensive income:

	Gratuity plan year ended		Pension plan year ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Actuarial loss/(gain) on obligations	6	(5)	8	(10)
Return on plan assets (excluding amounts included in net interest expense)	*	2	-	-
Total	**6**	**(3)**	**8**	**(10)**

* Amount is below rounding convention used in preparation of the financial statements. Refer note 38.

(All amounts in INR million, unless otherwise stated)

29. Employee benefits (continued)

Actuarial assumptions

	Gratuity plan as at		Pension plan as at	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Discounting rate	6.25%	6.25%	0.80%	1.30%
Future salary increase	8.00%	8.00%	2.25%	2.25%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

The following payments are expected contributions to the defined benefit plan in future years:

	Gratuity as at	
	31 March 2021	31 March 2020
Within the next 12 months (next annual reporting period)	182	158
Between 2 and 5 years	916	764
Between 5 and 10 years	1,387	1,143
Total	**2,485**	**2,065**

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

	Discount rate as at		Salary escalation rate as at	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
DBO (decreased by) / increased by due to increase in rate by 0.25%	(33)	(27)	33	28
DBO increased by / (decreased by) due to decrease in rate by 0.25%	34	28	(32)	(27)

(iii) 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

	31 March 2021	31 March 2020
Discounting rate	6.25%	6.25%
Future salary increase	8.00%	8.00%

The compensated absences obligation cover the Company's liability for earned leave which are classified as other long-term benefits.

The entire amount of the provision of INR 943 million (31 March 2020: INR 756 million) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

	Year ended	
	31 March 2021	31 March 2020
Compensated absences obligations not expected to be settled within the next 12 months	126	102

30. Share ownership plan

Capgemini SE, the ultimate parent company, has set up an employee share ownership plan, where eligible employees of the Company were invited to subscribe to the shares of the ultimate parent company at a discount of 12.5% to the current market price of the ultimate parent company shares. On 18 December 2020 the ultimate parent company issued shares for 2020 employee ownership plan respectively. The charge for the year for this plans is as below:

Particulars	**ESOP 2020**
	31 March 2021
Number of shares	5,374
Charge for the year	*
Employee stock option reserve	*

* Amount in absolute value INR 306,357 is below rounding convention used in preparation of the financial statements.

31. Commitments and contingencies

a. Capital commitments: The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounts to INR 77 million (31 March 2020: INR 23 million).

b. Other commitments: The Company has other commitments for purchase/sale orders which are issued after considering requirements in accordance with the operating cycle, for purchase/sale of goods and services and for employee benefits. The Company does not have any long term commitment or material non-cancellable contractual commitments/contracts which might have a material impact on the financial statements.

c. Claims disputed by the Company:

	As at	
	31 March 2021	31 March 2020
Income tax matters [gross of INR 82 million (31 March 2020: INR 82 million) paid under protest]	15	3,698
Other claims		
Sales tax matters [gross of INR 4 million (31 March 2020: INR 4 million) paid under protest]	7	7

Based on legal opinion and judicial precedents, the management is of the view that the above mentioned litigations are not legally tenable and no provisions are required.

31. Commitments and contingencies (continued)

d. Bangalore campus matters

The Company in 2003 had executed an Agreement with a landowner and a developer ("Developer"), for the development, lease and purchase of land facility ("Property") at Bangalore. Under said Agreement, the Company had an option to purchase the Property, after completion of two years of lease term. The Company took possession of the Property, but formal lease deed was not executed between the parties. In 2005, the Developer filed a suit to evict the Company and to recover arrears of rent and damages (2005 Suit). In 2007, the Company filed suit for specific performance for acquisition of property (2007 Suit) as per terms of the original Agreement. In 2010, the Developer filed another eviction suit and claimed damages (2010 Suit) related to portion of property acquired by it from landowner in 2010. All these suits were consolidated by the City Civil Court, Bangalore and underwent trial for many years of protracted litigation and were adjudicated against Company on each of the 2005, 2007 and 2010 suits vide Orders dated April 13, 2016. In these rulings, the City Civil Court held that the Company was not entitled to specific performance of the purchase option in the Agreement and also ordered to pay arrears of rent and damages and to vacate the Property.

Against the said Orders dated April 13, 2016 in 2005 suit, 2007 suit and 2010 suit, the Company filed three Appeals at the Hon'ble High Court of Karnataka. In the two appeals against the Orders in 2005 Suit and 2010 Suit, the Company sought protection against Eviction Order and also against the damages awarded against the Company. Third appeal was filed against the Order in 2007 suit, wherein Company's suit for specific performance for execution of sale deed in favour of the Company was dismissed. The Hon'ble High Court admitted Company's all appeals and also granted an interim injunction (stay) against impugned eviction Orders dated April 13, 2016, subject to payment of an amount as ordered by the City Civil Court to the Developer. The Company paid INR 331 Million to the Developer as per the Orders of the Hon'ble High Court. In compliance of Hon'ble High Court Orders, the Company is also making monthly payment of an amount equivalent to INR 2 Million to the Developer. However, all the amount paid/payable to the Developer (i.e. initial amount and the monthly payments) are subject to final outcome of the Appeals filed by the Company. In August 2018, the Company has received copies of the cross Appeals filed by the Developer against the Orders dated April 13, 2016 passed in 2005 suit and 2010 suit, seeking damages at the higher rate as against the rate granted by the City Civil Court in the Orders dated April 13, 2016.

Based on legal opinion, the Company believes that it has a good case and possibility of resolution of the matter against the Company is remote. Further, the Company does not believe that the resolution of these matters will have a material adverse effect on the Company's Balance Sheet or Statement of Profit and Loss, or Statement of Cash Flow.

e. Service tax matters

On October 20, 2011, the Company received a show cause notice from the service tax department of India demanding service tax on reimbursements made by the Company to its various branches for salaries and rent and to other vendors located outside of India for visa and insurance services for Company's employees traveling abroad from fiscal year 2007 through 2010. Additionally, in the above notices the service tax authorities have included all amounts incurred in the foreign currency by Company, on which service tax applicable on import services has not been paid as chargeable to service tax. Since July 22, 2012, the Company has received similar notices covering the period April 2010 to June 2017. The total tax for such years stands at INR 2,548 million, which does not include interest liability exposure thereon, if any.

For years upto 2014 the Company has also received orders from Commissioner of Service Tax confirming above tax demand and also imposing interest and a penalty on service tax demanded. The Company has filled Appeal with the tribunal (CESTAT) against the above order from Commissioner of Service Tax.

In April 2017, the CESTAT has issued order granting stay of demand for the fiscal years 2007 to 2012 till disposal of appeal. In respect of demand determined for FY13 and FY14, pursuant to amendment in law the Company made a mandatory pre-deposit of INR 49 million before filing appeal before the CESTAT. The recovery of balance amount is stayed till disposal of appeal.

For the period April 2014 to June 2017 the Service tax authorities have only issued show cause notice and the Company has filed response before the Commissioner of Service Tax against the same. The proposed tax demands in such notice is for INR 373 million which is included in total tax mentioned above.

The service tax department claims these services in above mentioned years qualify as an import of service and that under Section 66A/66B of the Finance Act of India, a service tax is due and owing. The Company believes that Section 66A/66B is not applicable and accordingly no service tax and consequently no interest is due on these particular services. Since the Company has not suppressed any facts, it is the Company's position based on legal advice that tax authorities case for penalty would not sustain. Based on legal advice, judicial precedents and reply being filed by legal counsel which supports the Company's position, the Company is of the view that outcome of this matter will not have a material adverse effect on the Company's Balance Sheets, Statement of Profit and Loss or Statement of Cash Flow.

f. Others

The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Further, there are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively. Pending directives from the EPFO, the impact for past periods, if any, is not ascertainable reliably and consequently no financial effect has been provided for in the financial statements. The Company has complied with the order of the Hon'ble SC prospectively effective 1 March 2019 by including such allowances for PF contribution calculations.

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32. Related party transactions

In the normal course of business, the Company enters into transactions at arm's length with affiliated companies, its ultimate holding company and key managerial personnel.

The names of the related parties of the Company and the nature of relationship is as follows:

S.No.	Nature of relationship	Name of the party
a.	Holding company	Capgemini Technology Services India Limited (with effect from 23 November 2020)
		Aricent Holdings Mauritius Limited (till 22 November 2020)
b.	Ultimate holding company	Capgemini S.E. (with effect from 1 April 2020)
		Altran Technologies S.A. (till 31 March 2020)
c.	Subsidiary Company	Aricent Technologies Private Limited (till 31 March 2020)
d.	Fellow subsidiaries and other companies which do not exercise control or significant influence over the Company	Aricent Holdings Mauritius India Limited
		Aricent Technologies Mauritius Ltd.
		Altran Technologies Australia Pvt Ltd (formerly known as Aricent Technologies Australia Pvt Ltd)
		Octavia Holdco Inc
		Capgemini Technology Services India Limited (till 22 November 2020)
		Aricent Holdings Mauritius Limited (with effect from 23 Novmebr 2020)
		Altran Technologies S.A. (with effect from 1 April 2020)
		Altran ACT, France
		Altran UK
		Altran Sverige AB
		Lohika Systems Inc
		Altran US Corp
		Aricent Mauritius Engineering Services PCC
		Aricent N.A. Inc.
		Altran Deutschland S.A.S & Co. KG
		Altran Technologies India Pvt. Ltd
		Aricent Technologies Malaysia SDN BHD
		frog Design BV
		frog Design Group UK Ltd
		frog Design Srl
		frog Design, Inc.
		Aricent Technologies UK Limited
		Aricent Technologies US Inc.
		Altran Software US Inc. (formerly known as Aricent Software US Inc.)
		Aricent Holdings Luxembourg S.a.r.l.
		Aricent Technologies Sweden AB
		Aricent Vietnam Company Ltd.
		Aricent Poland Sps Z.O.O
		frog Business Consultancy Limited
		frog Design Europe GmbH
		Aricent Belgium SPRL
		Aricent Japan Limited
		Altran Israel Ltd. (Formerly known as Aricent Israel Ltd.)
		Aricent Ireland Private Ltd.
		Aricent Spain S.L.U., Spain
		Altran Italia S.p.A.
		Altran Netherlands
		Altran Canada Solutions (Corp)
		Altran Connected Solutions
		Altran Engineering Solutions Inc
		Global Edge Software Limited
		Aricent Technologies (Cayman)
		Altran Solutions De Mexico
		Sogeti USA LLC (with effect from 1 April 2020)
		Information Risk Management Limited
		Altran Portugal S.A.

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32. Related party transactions (continued)

S.No.	Nature of relationship	Name of the party
d.	Key managerial personnel	**Whole time directors** Ashwani Lal Krishna Chandra Reddy **Independent directors** Sanjeev Handa (appointed with effect from 14 January 2021) Shweta Bharti (appointed with effect from 15 March 2021) Vinay Mittal (retired with effect from 10 April 2020) Nipun Gupta (retired with effect from 22 June 2020) **Directors:** Sujit Sircar (appointed with effect from 14 January 2021) Lydia Gayle Brown (retired with effect from 14 January 2021) **Others:** Parveen Jain (Company Secretary) Jitendra Grover (CFO)
e.	Trusts set-up by the Company	Aricent Employees Provident Fund Trust Aricent Technologies Gratuity Trust Aricent Technologies Superannuation Trust

Disclosure of transactions between the Company and related parties and the status of outstanding balances are as under:

		For the year ended and as at	
		31 March 2021	**31 March 2020**
a.	Holding company		
	Transactions during the year		
	Revenue from operations	2	-
	Expenses (sub-contracting expenses)	22	-
	Balance outstanding at the year end		
	Trade payables	22	-
	Other financial assets (unbilled revenue)	1	-
b.	Subsidiary companies		
	Transactions during the year		
	Revenue from operations	-	313
	Expenses (sub-contracting expenses)	-	210
	Expenses incurred by the Company on behalf of related parties	-	11
	Balance outstanding at the year end		
	Trade payables	-	150
	Trade receivables	-	83
c.	Fellow subsidiaries and other companies which do not exercise control or significant influence over the Company		
	Transactions during the year		
	Revenue from operations	16,989	17,432
	Rent income	17	19
	Liabilities no longer required written back	12	-
	Expenses (sub-contracting expenses)	1,350	1,443
	Group management fees / recharges	315	-
	Trade receivable written off	2	-
	Expenses incurred by related parties on behalf of the Company	53	40
	Expenses incurred by the Company on behalf of related parties	52	484
	Balance outstanding as at the year end		
	Trade payables	1,086	884
	Trade receivables	6,703	9,931
	Other financial assets (unbilled revenue)	45	1,605
	Other liabilities (unearned revenues)	61	-

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32. Related party transactions (continued)

		For the year ended and as at	
		31 March 2021	**31 March 2020**
d.	Ultimate holding company		
	Transactions during the year		
	Revenue from operations	-	15
	Other income	-	41
	Deemed contribution in relation to equity share subscription plan	*	-
	Balance outstanding as at the year end		
	Trade payables	-	38
e.	Trusts set-up by the Company		
	Transactions during the year		
	Contributions made during the year	950	971
	Balance outstanding as at the year end		
	Contributions payable at the year end	79	67
f.	Key managerial personnel		
	Compensation during the year		
	Short-term employee benefits	86	54
	Post-employment gratuity and medical benefits	6	5
	Other long-term benefits	31	38
	Commission	-	3
	Fee for attending board committee meetings	*	*
	Balance outstanding as at the year end		
	Commission payable	-	3
	Employee related liabilities	8	-

* Amount is below rounding convention used in preparation of the financial statements. Refer note 38.

33. Segment information

The Company develops software products and provides software consulting services for use in the telecommunications industry. Out of the total revenue of the Company, 67% (31 March 2020: 72%) of the revenue is generated from inter-company transactions. For the purpose of making decisions about resource allocation and performance assessment, the Chief Operating Decision Maker (the Board of Directors) monitors the operating results in totality on the Company-level basis. Hence, the Company constitutes a single segment.

As the Company also exports its products and services, the secondary segment for the Company is based on the location of its customers.

Information on the geographic segments is as follows:

	Revenue for year ended	
Location	**31 March 2021**	**31 March 2020**
Domestic	6,148	5,240
Americas	2,543	1,002
Europe	16,274	8,405
Mauritius	78	9,640
Rest of the world	423	379
Total	**25,466**	**24,666**

Information on operating income, net income, assets and liabilities cannot be provided by location of customers as such information is not realistically allocable and identifiable.

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34. Fair values

The carrying values of the financial instruments by categories are as follows:

	Carrying amount as at	
	31 March 2021	**31 March 2020**
FINANCIAL ASSETS		
Financial assets measured at amortised cost		
Loans	370	324
Trade receivables	8,849	12,105
Cash and cash equivalents	1,390	1,787
Other bank balances	-	22
Other financial assets	579	2,082
Financial assets measured at fair value through profit or loss		
Investments in mutual funds	9,035	-
Foreign exchange forward and option	20	18
Financial assets - derivative (cash flow hedge designated for hedge accounting)		
Foreign exchange forward contracts	159	4
Total	**20,402**	**16,342**
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost		
Trade payables	1,554	1,690
Lease liabilities	1,804	1,966
Other financial liabilities	851	599
Financial liabilities measured at fair value through profit or loss		
Foreign exchange forward and option contracts	-	36
Financial assets - derivative (cash flow hedge designated for hedge accounting)		
Foreign exchange forward contracts	-	342
Total	**4,209**	**4,633**

Fair values

Ind AS establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under Ind AS are described below:

Level 1 — inputs are based upon quoted prices (unadjusted) in active markets for identical assets or liabilities which are accessible as of the measurement date.

Level 2 — inputs are based upon quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and model derived valuations for the asset or liability that are derived principally from or corroborated by market data for which the primary inputs are observable, including forward interest rates, yield curves, credit risk and exchange rates.

Level 3 — inputs for the valuations are unobservable and are based on management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques such as option pricing models and discounted cash flow models.

The following table summarises the financial assets and financial liabilities measured at fair value on recurring basis:

	Level 1	Level 2	Level 3
As of 31 March 2021			
Financial assets at fair value			
Foreign exchange forward and option contracts	-	179	-
Investments in mutual funds	9,035	-	-
As of 31 March 2020			
Financial assets at fair value			
Foreign exchange forward and option contracts	-	22	-
Investments in mutual funds	-	-	-
Financial liabilities at fair value			
Foreign exchange forward and option contracts	-	378	-

The following methods and assumptions were used by the Company in estimating the fair value of its financial assets and liabilities:

(i) The Company classifies all forward contracts in Level 2 as quoted prices can be corroborated based on observable market transactions of spot currency rate and forward currency prices.

(ii) Short-term investments in mutual funds are fair valued based on the Net Asset Values (NAVs). The Company classifies the fair value under Level 1 as the NAVs of mutual fund are quoted on a daily basis.

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35. Financial risk management objectives and policies

The Company's business activities are exposed to a variety of financial risks, namely market risks, liquidity risk, and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management policy and framework. These are periodically reviewed by the senior management of the Company to identify and assess key risks and formulate strategies for mitigation of those risks. The Audit Committee provides the overall direction on risk management and oversees the Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels.

The Company has been monitoring the risks that the Company is exposed to due to outbreak of COVID 19 closely. The Company has taken all necessary actions to mitigate the risks identified basis the information and situation present.

(a) Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from the changes in foreign currency exchange rates, interest rates, credit, liquidity and price risks. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

(i) Foreign currency exchange rate risk
In the normal course of business, the Company is exposed to market risk arising from changes in currency exchange rates. The Company uses derivative financial instruments to manage exposures to foreign currency. The Company's objective for utilizing derivative financial instruments is to mitigate the risks from these exposures.

The following table analyses foreign currency risk from financial instruments as of 31 March 2021:

Particulars	U.S. Dollars	Other currencies	Total
Total financial assets	7,818	702	8,520
Total financial liabilities	673	561	1,234

The following table analyses foreign currency risk from financial instruments as of 31 March 2020:

Particulars	U.S. Dollars	Other currencies	Total
Total financial assets	12,736	766	13,503
Total financial liabilities	1,080	236	1,316

The Company is mainly exposed to changes in U.S. Dollars. 5% appreciation / depreciation of U.S. Dollars with respect to INR would result in increase / decrease in the Company's profit by approximately INR 358 million (31 March 2020: INR 583 million).

ii. Price risk
The Company's exposure to mutual funds price risk arises from investments held by the Company and classified in the balance sheet as fair value through profit or loss.

To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

The impact of 5% increase/decrease of the net asset values of mutual fund, with all other variables held constant, would be increase / decrease in profits by approximately INR 452 million (31 March 2020: Nil).

iii. Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company does not have any significant items related to interest rate risk therefore it is not impacted by interest rate risk.

(b) Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

Trade receivables
Concentration of credit risk with respect to trade receivables are limited, since the majority of the Company's revenue is generated from group companies. All trade receivables other than from group companies are reviewed and assessed for default on a regular basis. Historical experience of the Company for collecting receivables is that credit risk is low. Refer note 2.14 for accounting policy on impairment of trade receivables.

The Company maintains exposure in cash and cash equivalents, money market liquid mutual funds and derivative instrument with financial institutions. The Company has set counter-parties limits based on multiple factors including financial position, credit rating, etc.

The Company's maximum exposure to credit risk as at 31 March 2021 and 31 March 2020 is the carrying value of each class of financial assets.

(c) Liquidity risk
Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31 March 2021 and 31 March 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company's treasury function reviews the liquidity position on an ongoing basis.

35. Financial risk management objectives and policies (continued)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	Carrying amount	Contractual cash flow	0-1 year	1-5 years	More than 5 years
As at 31 March 2021					
Trade payables	1,554	1,554	1,554	-	-
Lease liabilities	1,804	2,106	817	1,109	180
Other financial liabilities	851	851	851	-	-
	4,209	**4,511**	**3,222**	**1,109**	**180**

Particulars	Carrying amount	Contractual cash flow	0-1 year	1-5 years	More than 5 years
As at 31 March 2020					
Trade payables	1,690	1,690	1,690	-	-
Lease liabilities	1,966	2,347	772	1,451	124
Other financial liabilities	977	978	978	-	-
	4,633	**5,015**	**3,440**	**1,451**	**124**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

36. Capital management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maximise stakeholders' value.

As of 31 March 2021, the Company has only one class of equity shares and no debt. Therefore, there are no externally imposed capital requirements.

37. Events occuring after the reporting period - Provident Fund

On 21 April 2021, the Company filed an application with Regional Provident Fund Commissioner (RPFC) for surrender of exemption from EPF Scheme, 1952 w.e.f. 01 July 2021. On receipt of the approval from RPFC, the provident fund defined benefit plan will cease to exist. Consequently, the Company will have to fund the loss in the trust to RPFC and the future interest rate guarantee loss recognized as provision above will be reversed. Since, the application has been approved, the Company has presented the entire provision as at March 31, 2021 as current provision. Refer note 16 for details..

38. Rounding off

The financial statements are presented in INR million. Those items which are required to be disclosed and which are not represented in the financial statements due to rounding off to nearest million are given as follows:

Note No.	Description	31 March 2021	31 March 2020
19	**Trade payables**		
	- Due to micro and small enterprises	0.01	-
22	**Employee benefit expenses**		
	Share based payments to employees	0.31	-
25	**Corporate Social Responsibility**		
	Interim support to Disaster relief related requests from the NGOs/CBOs/others	-	0.31
29	**Employee benefits**		
	Actuarial gain/(loss) on plan assets	0.45	-
25(ii)	**Payments to the auditors**		
	Out of pocket expenses	0.03	
30	**Share ownership plan**		
	Charge for the year	0.31	-
	Employee stock option reserve	0.31	-
34	**Related party transactions**		
	Deemed contribution in relation to equity share subscription plan	0.31	-
	Fee for attending board committee meetings	0.15	0.29

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39. Amalgamation of Aricent Technologies Private Limited with the company

During the year, the Company had filed an application for merger of its subsidiary namely Aricent Technologies Private Limited ("ATPL" or "Transferor Company") with the Company. Pursuant to the Order of Regional Director (NR), New Delhi, passed on December 21, 2020, approving the Scheme of Amalgamation ("the Scheme"), the assets and liabilities of the Transferor Company have been transferred to and vested in the Company with effect from April 01, 2020, the appointed date as per the Scheme. As a result of this, in accordance with Appendix C to Ind AS 103, Business Combinations, all the assets and liabilities of Transferor Company as on March 31, 2020 are recognised in the books of the Company at their carrying amounts as appearing in the consolidated financial statements of the Company as on March 31, 2020 (being the appointed date as per the aforesaid scheme of amalgamation). Accordingly, numbers are not comparable.

As a result of the amalgamation, the financial statements of the Company for the year ended 31 March 2021 includes the amount of ATPL with effect from the appointed date i.e. 1 April 2020. Hence, figures for the current year ended 31 March 2021 is not comparable with figures for the previous year ended 31 March 2020.

Further, as per the requirements under the Scheme of Amalgamation, the Company has accounted for the amalgamation as per the principles laid down by Appendix C of Ind AS 103, i.e. business combination of entities under common control read with the clarification issued by Ind AS Transition Facilitation Group' ("ITFG") issued by the Institute of Chartered Accountants of India ('ICAI'). Consequently, the Company has recognized the assets and liabilities of ATPL at their carrying values appearing in consolidated financial statements of the Company immediately before the amalgamation. Such carrying values of assets and liabilities were based on the purchase price allocation undertaken by the Company for the assets and liabilities as on the date of acquisition of ATPL by the Company, adjusted for all movements up to 1 April 2020 (Appointed date as approved by the scheme of Amalgamation).

This amalgamation results in increased operational efficiencies, bring economies of scale and results in synergetic integration of business carried out by the Company and ATPL.

The position of assets and liabilities as at the appointed date (1 April 2020) is as follows:

		Amount
Non-current assets		
Property, plant and equipment		5
Other intangible assets		449
Financial assets		
Loans		1
Income tax assets (net)		122
Current assets		1,051
Total assets		**1,628**
Non-current liabilities		
Provisions		107
Deferred tax liabilities (net)		103
Current liabilities		148
Total liabilities		**358**
Net assets as at March 31 2020	A	1,270
Equity share capital and securities premium	B	3
Post acquisition reserve (7 August 2015 to 31 March 2020)	C	325
Investment in Aricent Technologies Private Limited	D	5,609
Capital reserve	E	(1,738)
Goodwill	F = A - (B +C+D+E)	**2,929**

Since the merger has come into effect from the first day of current year, there is no impact on the current year profit.

40. Regrouping

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

Account head transferred from	Account head transferred to	Amount
Other non current assets	Income tax assets (net)	83
Income tax assets (net)	Income tax liabilities (net)	876
Provisions, non current	Provisions, current	654
Other current liabilities	Other non-current liabilities	77
Other income	Revenue from operations	62
Employee benefit expenses	Revenue from operations	60

41. Code on social security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.

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42. Specified bank notes
The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2021.

43. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 19 July 2021.

For Price Waterhouse Chartered Accountants LLP
(Registration No. FRN 012754N/N500016)

Jeetendra Mirchandani
Partner
Membership No : 048125

Place: Pune
Date: 19 July 2021

For and on behalf of the Board of Directors

Krishna Chandra Reddy
Managing Director
DIN – 07573071

Sujit Sircar
Director
DIN – 00026417

Parveen Jain
Company Secretary

Jitendra Grover
Chief Financial Officer

Place: Gurugram
Date: 19 July 2021