TO ALL STOCK EXCHANGES

BSE LIMITED
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
NEW YORK STOCK EXCHANGE

April 20, 2020

Dear Sir, Madam,

Sub: Outcome of the Board meeting

This has reference to our letter dated April 13, 2020, regarding the captioned subject. The Board, at their meeting held on April 20, 2020, transacted the following items of business;

1. **Board changes:**

    1. **Appointment of Uri Levine as an independent director:**

        Based on the recommendation of the Nomination and Remuneration Committee, the Board appointed Uri Levine (DIN: 08733837), as additional and an Independent Director effective from April 20, 2020 for a period of 3 (three) years, subject to the approval of the shareholders.

        Uri Levine has no relationship with any member of the Board of directors. A press release in this regard and a brief profile of Mr. Levine is enclosed herewith.

    2. **Resignation of D. N. Prahlad as director:**

        D. N. Prahlad (DIN: 00504146), Independent Director is stepping down from the Board to devote more time for his other business commitments with effect from April 20, 2020.

        Please find enclosed press release titled “D. N. Prahlad steps off Infosys Board with effect from April 20, 2020”.

2. **Financial Results:**

    1. Took on record the audited consolidated financial statements of the Company and its subsidiaries as per Indian Accounting Standards (Ind AS) for the quarter and year ending March 31, 2020;

    2. Took on record the audited consolidated financial statements of the Company and its subsidiaries as per IND AS for the year ending March 31, 2020;

    3. Took on record the audited standalone financial statements of the Company as per IND AS for the quarter and year ending March 31, 2020;

    4. Took on record the audited standalone financial statements of the Company as per IND AS for the year ending March 31, 2020;

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5. Took on record the audited consolidated financial statements of the Company and its subsidiaries as per International Financial Reporting Standard (IFRS) in INR for the quarter and year ending March 31, 2020; and

6. Took on record the audited consolidated condensed financial statements of the Company and its subsidiaries as per IFRS in USD for the year ending March 31, 2020;

We are enclosing herewith the financial results for your information and records. The same will be made available on the Company's website www.infosys.com.

3. Dividend:

The Board in their meeting held today recommended a final dividend of ₹ 9.50/- per equity share for the financial year ended March 31, 2020. The dividend will be paid on the 5th working day from the date of declaration of the final dividend by the shareholders. In view of COVID-19 the Company is working on an AGM date. The book closure date for the purpose of the payment of final dividend and AGM date will be announced in due course.

4. Other matters:

1. Stock grants:

i. The Board, on April 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, approved the performance-based grant of RSUs amounting to ₹13 crore for the financial year 2021 under the 2015 Stock Incentive Compensation Plan (2015 plan) to Salil Parekh, CEO and MD. This was pursuant to the approval from the shareholders through postal ballot concluded on February 20, 2018 and as per the shareholders' approval in the Annual General meeting held on June 22, 2019. These RSUs will vest in line with the current employment agreement. The RSUs will be granted w.e.f May 2, 2020 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2020.

ii. The Board, on April 20, 2020, based on the recommendation of the Board of Directors of the Company, had approved the grant of annual performance-based stock incentives in the form of Restricted Stock Units (RSU's) to Salil Parekh, CEO & MD covering Company's equity shares having a market value of ₹10 crore as on the date of the grant under the Infosys Expanded Stock Ownership Program-2019 (2019 Plan), which shall vest 12 months from the date of the grant subject to the Company's achievement of certain performance criteria as laid out in the 2019 Plan. This was pursuant to the approval from the shareholders in the Annual General meeting held on June 22, 2019.The RSUs will be granted w.e.f May 2, 2020 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2020.

iii. The Board, on April 20, 2020, based on the recommendation of the Board of Directors of the Company, had approved the grant of annual performance-based stock incentives in the form of Restricted Stock Units (RSU's) to U.B. Pravin Rao, COO & Whole Time Director covering Company's equity shares having a market value of ₹4 crore as on the date of the grant under the 2019 Plan, which shall vest 12 months from the date of the grant subject to the Company's achievement of certain performance criteria as laid out in the 2019 Plan. This was pursuant to the

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approval from the shareholders in the Annual General meeting held on June 22, 2019.The RSUs will be granted w.e.f May 2, 2020 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2020.

iv. Based on the recommendations of the Nominations and Remuneration Committee, the Board, on April 20, 2020, under the 2015 plan, approved an annual performance based RSU having market value of ₹0.75 crore to a KMP. These RSU's will vest in line with the employment agreement based on the achievement of certain performance targets. The RSUs will be granted w.e.f May 2, 2020 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2020.

v. On recommendation of the Nomination and Remuneration Committee, the Board in its meeting held on April 20, 2020, approved the grant of 24,600 RSUs to an eligible employee under the 2015 Plan. The grant date for these RSUs is May 2, 2020. The RSUs would vest over a period of four years and the exercise price of RSUs will be equal to the par value of the share.

2. Policies and committee charter:

The Board in their meeting held today considered and approved amendment to the following;

- Related Party Transaction Policy;
- Dividend Distribution Policy;
- Policy for determining materiality of disclosures;
- Nomination and Remuneration Policy;
- Corporate Social Responsibility Policy;
- Corporate policy on Investor Relations; and
- Audit Committee Charter.

The copies of the Policies and committee charter are made available on the website of the Company under the following link:
https://www.infosys.com/investors/corporate-governance/policies.html

Yours Sincerely,
For **Infosys Limited**

A.G.S. Manikantha
Company Secretary

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PRESS RELEASE

Infosys Appoints Uri Levine as an Independent Director

Appointment to be effective April 20, 2020

Bengaluru – April 20, 2020: Infosys (NYSE: INFY), a global leader in next-generation digital services and consulting today announced the appointment of Uri Levine as an Independent Director of the Company, effective April 20, 2020, based on the recommendations of the Nomination and Remuneration Committee of the Board. The appointment is for a period of three years and is subject to the approval of shareholders.

Uri Levine (http://urilevine.com/) is a passionate serial entrepreneur and disruptor. He co-founded Waze, the world's largest community-based driving traffic and navigation app, with more than 500M drivers around the globe, which was acquired by Google on June 2013 for more than $1.1 billion. Uri has been in the high-tech business for the last 30 years, half of them in the startup scene, and has seen everything ranging from failure, middle success, and big success. Detailed profile of Mr. Levine is enclosed as Annexure.

Welcoming Levine to the Board, Kiran Mazumdar-Shaw, Lead Independent Director and Chairperson of the Nomination and Remuneration Committee said, “We are delighted to welcome Uri on the Board of Infosys. He is a much admired serial tech entrepreneur with extensive and in-depth business understanding of emerging technologies and will bring tremendous value to the Board and to the Company.”

About Infosys Ltd.
Infosys is a global leader in next-generation digital services and consulting. We enable clients in 46 countries to navigate their digital transformation. With nearly four decades of experience in managing the systems and workings of global enterprises, we expertly steer our clients through their digital journey. We do it by enabling the enterprise with an AI-powered core that helps prioritize the execution of change. We also empower the business with agile digital at scale to deliver unprecedented levels of performance and customer delight. Our always-on learning agenda drives their continuous improvement through building and transferring digital skills, expertise, and ideas from our innovation ecosystem.

Visit www.infosys.com to see how Infosys (NYSE: INFY) can help your enterprise navigate your next.

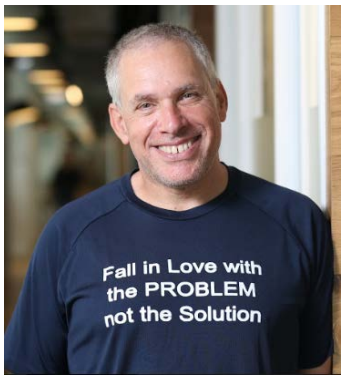
Safe Harbor

Certain statements in this release concerning our future growth prospects, financial expectations and plans for navigating the COVID-19 impact on our employees, clients and stakeholders are forward-looking statements intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding COVID-19 and the effects of government and other measures seeking to contain its spread, risks related to an economic downturn or recession in India, the United States and other countries around the world, changes in political, business, and economic conditions, fluctuations in earnings, fluctuations in foreign exchange

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rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry and the outcome of pending litigation and government investigation. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2019. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the Securities and Exchange Commission and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.

Annexure- Profile of Uri Levine



Uri Levine (http://urilevine.com/) is a passionate serial entrepreneur and disruptor. He co-founded Waze, the world's largest community-based driving traffic and navigation app, with more than 500M drivers around the globe, which was acquired by Google on June 2013 for more than $1.1 billion.

Levine is an entrepreneur, heading "The Founders Kitchen", a company-builder fund, serving as Co-Founder and Chairman of FeeX, FairFly, Refundit, & Fibo. He also serves on the Board of Directors of Moovit, Seetree, LiveCare, HERE Technology & Dynamo.

Levine's vision in building startups is specifically intended to disrupt inefficient markets and improve under-functioning services, with a focus on solving "BIG problems" and saving consumers time and money, while empowering them and changing the world for the better.

Uri has been in the high-tech business for the last 30 years, half of them in the startup scene, and has seen everything ranging from failure, middle success, and big success.

He is also a world-class speaker on entrepreneurship, disruption, evolution vs. revolutions of markets, mobility and startups. Motivated to encourage the next generation of thinkers and innovators, he also leads an academic workshop entitled "How to Build a Startup", aimed at undergraduate and graduate-level business students.

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Levine is a BA graduate in Tel-Aviv University. Before attending University, he served in the Israeli army at special intelligence unit 8200.

In his public activity he serves in the board of trustees at the Tel-Aviv University. He also mentors young entrepreneurs at the Zell Entrepreneurship program at IDC Herzliya.

The startups Levine is Co-Founder, Chairman or Board Member, with the agenda of 'doing good **and** doing well', some of Levine's companies includes:

- **Co-founder** and **active chairman** at **FeeX**, which addresses the biggest secret in the world, $600B of financial fees that no-one knows they are paying. FeeX helps bring transparency and increase consumers' retirement savings and long-term investment plans in hundreds of thousands of dollars.

- **Founder, Chairman and 1st investor** at **FairFly**, which addresses the biggest secret in the travel industry. What happened to airfare AFTER the booking. **FairFly** monitors the airfare of your own itinerary after you made a reservation and allows you to rebook the same flight or a better flight once price drops.
- **1st Member of the board** of **Moovit**, which is like Waze but for public transportation, and today, serves more than 750M passengers in more than 3000 cities around the globe.
- Member of the **supervisory board** at **HERE Technology,** location cloud company, which enables digital mapping and real-time location applications for consumers, vehicles, enterprises and cities.
- **Co-Founder & Chairman, Refundit,** an advanced fully digitized service with a simple mobile app that simplifies tax-free shopping and helps tourists obtain their VAT refund, saving them the time, paperwork and lines at the airport.
- **Investor and Board Member** at **SeeTree**, which responses to the particularly devastating challenges in permanent crop farming such as crop losses, epidemics etc. Seetree provides a unique intelligence platform for tree-farmers fusing AI/ML, IoT multi-sensorics data and other advanced technologies to enable them to manage their permanent crops best.
- **Investor and Board member** at **LiveCare**, the first smart medical alert device for the elderly population, combining innovation with compliance to up-to-date regulatory requirements. enabling remote patient monitoring of elder and at-risk population.
- **Co-Founder & Chairman** at **Fibo**: All over the world, filling tax returns is either a lengthy and complex process or a costly one. Fibo has built an online service that minimizes the filing process into less than five minutes, through an online service that provides a fast and easy way for employees to complete their tax return.

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PRESS RELEASE

D N Prahlad steps off Infosys Board with effect from April 20, 2020

Bengaluru – April 20, 2020: Infosys Limited announced today that D N Prahlad, Independent Director is stepping down from the Board to devote more time for his other business commitments with effect from April 20, 2020. Prahlad has been an independent director since 2016 and served as Chairperson of the Risk Management Committee and member of other committees of the Board.

Nandan Nilekani, Chairman of the Board, commented, "I thank Prahlad for his important contributions to Infosys in a period of change and leadership transitions. The Board will miss his energy, his understanding of risk, his technical expertise and his sense of humor! He will always remain a close friend."

Kiran Mazumdar-Shaw, Lead Independent Director and Chairperson of the Nomination and Remuneration Committee added, "I have had the distinct pleasure of serving alongside D N Prahlad as a board colleague. He has added immense value to Infosys both at the Board and company level through engagement in key strategic initiatives and providing mentorship to senior leadership. On behalf of the Board, I thank him for his vast contribution."

About Infosys Ltd.
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key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry and the outcome of pending litigation and government investigation. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2019. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the Securities and Exchange Commission and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.

COMPANY STATEMENT

Resilient and Prepared to Navigate the COVID-19 Impact for our Employees, our Clients and our Stakeholders

As the world comes together to manage the impact of the crisis caused by COVID-19, Infosys is making every effort to tackle the turbulence.

Prioritizing Employees

The company continues to be employee-first in its approach, and has made employee well-being a clear priority, even as teams across the company work to assure business continuity for clients.

With lockdowns effective, in several parts of the world, 93% of the Infosys global workforce is now working from home. Small teams of mission-critical frontline personnel continue to work out of the company's workplaces to deliver on specific business continuity plans for clients in critical infrastructure and service industries.

To minimize any risk to its employees' health that this brings, the company has taken every reasonable precaution - from recommissioning facilities, adopting more rigorous cleaning routines, and stocking essentials such as masks and sanitizers, to implementing social distancing best practices and maintaining readiness to evacuate.

A few Infosys employees across the world have tested positive for COVID-19. The company is in touch with them and their families to provide active and continuous support to help them through the rest and recovery. Infosys has also undertaken contact tracing measures to identify colleagues, if any, who have interacted with them and ensuring that they are appropriately quarantined.

Early on, to enable its employees to work from home, Infosys rapidly mobilized laptops and desktops, with access to secure virtual work environments wherever necessary. The company has provided high speed broadband connectivity for remote workers and expanded its own virtual private network bandwidth by 10X. This meant shipping over 35,000 assets to employee residences. Significant and rapid amplification of its technology landscape was undertaken to support robust and secure remote working at global scale. This meant driving 4X increase in backend capacity to support the increase in concurrently connected remote users.

The company leverages its InfyMe app to connect with its global workforce and provide the latest updates from advisories, to company policies and other benefits on offer. It also allows employees to self-declare their health status.

With cautious optimism Infosys approaches its plans in the weeks ahead, while carefully monitoring advisories and adapting tactics to policies and injunctions in the cities, states and countries that the company operates in. Infosys has completed scenario-planning for when its employees, in incremental batches, will return to work out of its global offices, and client offices, while adhering to the social distancing prescriptions for workplaces and strictly as per local regulatory advisories. Employee safety will not be compromised even as the company relies on project requirements to drive the on-premise and remote staffing mix.

Serving and Supporting Clients

Infosys continues to make every effort to deliver the certainty of its services even in these times of uncertainty. Businesses, from various parts of the globe, have acknowledged these efforts and expressed their appreciation for the services and support they are receiving from Infosys. Here are some quotes from our clients:

- *Thank you. For employing great people at Infosys. For above and beyond service. And, for a long and prosperous relationship. Not all of our vendor partners were able to get their teams fully up and running. With great pride, I was able to tell the leadership team that Infosys is fully operational for us. Thank you!... May Infosys and India weather this storm well and emerge stronger.* ***Client Leader at a global financial services firm.***

- *Your team has supported a historic shift of office-based employees to work-from-home status in record time here in the US. The planning, execution and subsequent experience of our staff in this new work modality has been outstanding. The CEO and our board have recognized the incredible efforts that have taken place from the IT teams….* ***Client Leader at a leading healthcare company***

With so many enterprises counting on the company to help them serve hundreds of millions of people globally, Infosys reiterates its commitment to shoulder this immense responsibility and live up to these high expectations.

Empathy for Community

Amidst its many priorities, Infosys has always taken its corporate social responsibilities very seriously. As announced on March 30, Infosys through Infosys Foundation, has dedicated INR 100 crore ($ 14 mn)

towards relief-efforts, including half of it to PM CARES Fund, to help enhance hospital capacity and provide treatment, ventilators, testing kits and protective gear for frontline health workers.

Infosys Foundation USA has opened Pathfinders Online Institute, its online learning platform for teachers, school children and their families so they can access high-quality computer science and maker education content from home for free.

Focus on the Future

The company believes that clients in every industry will need to accelerate their digital channels in this new normal. Their remote working environments will need to be better equipped for greater elasticity and collaboration at scale. With it will come the need to strengthen their core with stronger infrastructure, greater data, robust cybersecurity, intelligent automation and cloud capabilities. Infosys is well-prepared to help its clients through the journey to recovery and resilience. The strategy that the company has been executing is deeply relevant to the context that businesses are navigating just now. It brings together the power of digital, the company's ecosystem of partners and the expertise of its people to quickly solve some of its clients' most pressing problems.

At the same time, the company anticipates a continued slowdown in the near term influenced by a broad-based global economic recession. With some impact due to project deferrals and softening of discretionary spends, there will be some margin pressure in the near term. In response to these new contours of projected demand, Infosys will work to optimize its cost structure and operational rigor, while continuing to invest in strengthening its digital capabilities. Infosys intends to not only nurture its vast pool of digital talent in a high-productivity environment, but also honor the job offers it has extended to the markets, in order to enhance the skill-sets it can bring to recovery-focused client environments.

In the near-term, Infosys is poised to confront the challenge, help its clients navigate through it as well, and emerge resilient backed by the support and goodwill of its clients and employees. The company's confidence stems from its strong balance sheet, with approximately $3.605 bn (Rs.27,276 crores) in cash and cash equivalents including investments with zero debt as of March 31, 2020. This is further supported by its A3 local currency issuer credit rating with Moody's.

Infosys is very grateful to its employees, the world over, for their diligence through this stressful period and proud of the work they have delivered for its clients. While continuing to safeguard the health of its employees, support its clients and be a conscientious member of the community, Infosys aspires to earn and keep the goodwill of the stakeholders it seeks to serve, and emerge stronger, together with them all, on the other side of this struggle, into a more promising future.

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Infosys®
Navigate your next

Fact Sheet

Consolidated Financial Data - Fourth Quarter, Fiscal 2020

31.7% YoY 37.8% FY Digital CC growth	6.4% YoY 9.8% FY CC growth	21.1% Q4 21.3% FY Operating margin	-0.8% CC -1.4% Reported QoQ growth	$1.65bn Q4 $9.0bn FY Large deal signings

Revenue Growth- Q4 20

	Reported	CC
QoQ growth (%)	(1.4)	(0.8)
YoY growth (%)	4.5	6.4

Revenues by Offering

	Quarter ended ($ mn)			YoY Growth (%)	
	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019	Reported	CC
Digital	1,341	1,318	1,035	29.6	31.7
Core	1,856	1,925	2,025	(8.3)	(6.6)
Total	**3,197**	**3,243**	**3,060**	**4.5**	**6.4**
Digital Revenues as % of Total Revenues	*41.9*	*40.6*	*33.8*		

Revenues by Business Segments

(in %)

	Quarter ended			YoY Growth	
	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019	Reported	CC
Financial services	31.3	31.5	31.6	3.5	5.7
Retail	15.5	15.3	15.9	2.6	4.2
Communication	13.0	13.0	13.5	(0.1)	3.1
Energy, Utilities, Resources & Services	12.9	12.8	12.7	5.4	7.3
Manufacturing	10.1	10.3	10.0	5.8	7.4
Hi Tech	7.9	7.6	7.7	7.3	7.7
Life Sciences	6.4	6.7	6.0	11.7	11.9
Others	2.9	2.8	2.6	18.4	21.1
Total	**100.0**	**100.0**	**100.0**	**4.5**	**6.4**

Revenues by Client Geography

(in %)

	Quarter ended			YoY Growth	
	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019	Reported	CC
North America	61.6	61.3	61.2	5.1	5.5
Europe	24.4	24.4	24.0	6.4	9.6
Rest of the world	11.4	11.5	12.5	(4.8)	1.8
India	2.6	2.8	2.3	19.5	22.3
Total	**100.0**	**100.0**	**100.0**	**4.5**	**6.4**

Client Data

	Quarter ended		
	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019
Number of Clients			
Active	1,411	1,384	1,279
Added during the period (gross)	84	84	101
Number of million dollar clients*			
1 Million dollar +	718	705	662
10 Million dollar +	234	232	222
50 Million dollar +	61	61	60
100 Million dollar +	28	28	25
Client contribution to revenues			
Top client	3.1%	3.0%	3.3%
Top 10 clients	18.7%	18.9%	19.7%
Top 25 clients	34.1%	34.2%	35.0%
Repeat business	95.9%	97.2%	95.2%
Days Sales Outstanding	69	73	66

*LTM (Last twelve months) Revenues

Effort and Utilization - Consolidated IT Services

(in %)

	Quarter ended		
	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019
Effort			
Onsite	27.6	27.7	28.7
Offshore	72.4	72.3	71.3
Utilization			
Including trainees	79.0	80.4	78.9
Excluding trainees	83.5	84.4	82.3

Revenue per Employee

(In US $ K)

	Quarter ended		
	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019
Revenue per Employee - Consolidated	54.1	54.4	54.0

Employee Metrics

(Nos.)

	Quarter ended		
	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019
Total employees	2,42,371	2,43,454	2,28,123
S/W professionals	2,28,449	2,29,658	2,14,727
Sales & Support	13,922	13,796	13,396
Attrition % (Annualized Standalone)	18.2%	17.6%	18.3%
Attrition % (Annualized Consolidated)	20.7%	19.6%	20.4%
% of Women Employees	37.8%	37.8%	36.7%

Consolidated statement of Comprehensive Income for three months ended,

(As per IFRS)

In US $ million, except per equity share data

Particulars	Mar 31, 2020	Mar 31, 2019	Growth % Q4 20 over Q4 19	Dec 31, 2019	Growth % Q4 20 over Q3 20
Revenues	**3,197**	**3,060**	**4.5**	**3,243**	**(1.4)**
Cost of sales	2,133	2,028	5.2	2,159	(1.2)
Gross Profit	**1,064**	**1,032**	**3.1**	**1,084**	**(1.8)**
Operating Expenses:					
Selling and marketing expenses	161	174	(7.5)	169	(4.7)
Administrative expenses	229	200	14.5	204	12.3
Total Operating Expenses	**390**	**374**	**4.3**	**373**	**4.6**
Operating Profit	**674**	**658**	**2.6**	**711**	**(5.2)**
Operating Margin %	***21.1***	***21.5***	***(0.4)***	***21.9***	***(0.8)***
Other Income, net[1]	84	94	(10.6)	116	(27.6)
Finance cost[2]	(6)	-	-	(6)	-
Profit before income taxes	**752**	**752**	**0.0**	**821**	**(8.4)**
Income tax expense	160	171	(6.4)	194	(17.5)
Net Profit	**592**	**581**	**1.9**	**627**	**(5.6)**
Minority Interest	2	1	-	1	-
Net Profit (after minority interest)	**590**	**580**	**1.7**	**626**	**(5.7)**
Basic EPS ($)	**0.14**	**0.13**	**4.2**	**0.15**	**(5.7)**
Diluted EPS ($)	**0.14**	**0.13**	**4.2**	**0.15**	**(5.7)**

Consolidated statement of Comprehensive Income for year ended,

(As per IFRS)

In US $ million, except per equity share data

Particulars	Mar 31, 2020	Mar 31, 2019	Growth %
Revenues	**12,780**	**11,799**	**8.3**
Cost of sales	8,552	7,687	11.3
Gross Profit	**4,228**	**4,112**	**2.8**
Operating Expenses:			
Selling and marketing expenses	664	638	4.1
Administrative expenses	840	778	8.0
Total Operating Expenses	**1,504**	**1,416**	**6.2**
Operating Profit	**2,724**	**2,696**	**1.0**
Operating Margin %	***21.3***	***22.8***	***(1.5)***
Other Income, net[1]	395	411	(3.9)
Finance cost[2]	(24)	-	-
Reduction in the fair value of Disposal Group held for sale[3]	-	(39)	-
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"[4]	-	(65)	-
Profit before income taxes	**3,095**	**3,003**	**3.1**
Income tax expense[5]	757	803	(5.7)
Net Profit	**2,338**	**2,200**	**6.3**
Minority Interest	7	1	-
Net Profit (after minority interest)	**2,331**	**2,199**	**6.0**
Basic EPS ($)	**0.55**	**0.51**	**8.3**
Diluted EPS ($)	**0.55**	**0.51**	**8.2**

Consolidated statement of Comprehensive Income for three months ended,

(As per IFRS)

In ₹crore, except per equity share data

Particulars	Mar 31, 2020	Mar 31, 2019	Growth % Q4 20 over Q4 19	Dec 31, 2019	Growth % Q4 20 over Q3 20
Revenues	**23,267**	**21,539**	**8.0**	**23,092**	**0.8**
Cost of sales	15,501	14,283	8.5	15,373	0.8
Gross Profit	**7,766**	**7,256**	**7.0**	**7,719**	**0.6**
Operating Expenses:					
Selling and marketing expenses	1,172	1,226	(4.4)	1,204	(2.7)
Administrative expenses	1,667	1,412	18.1	1,451	14.9
Total Operating Expenses	**2,839**	**2,638**	**7.6**	**2,655**	**6.9**
Operating Profit	**4,927**	**4,618**	**6.7**	**5,064**	**(2.7)**
Operating Margin %	***21.2***	***21.4***	***(0.2)***	***21.9***	***(0.7)***
Other Income, net[1]	614	665	(7.7)	827	(25.8)
Finance cost[2]	(45)	-	-	(42)	-
Profit before income taxes	**5,496**	**5,283**	**4.0**	**5,849**	**(6.0)**
Income tax expense	1,161	1,205	(3.7)	1,383	(16.1)
Net Profit	**4,335**	**4,078**	**6.3**	**4,466**	**(2.9)**
Minority Interest	14	4	-	9	-
Net Profit (after minority interest)	**4,321**	**4,074**	**6.1**	**4,457**	**(3.1)**
Basic EPS (₹)	**10.19**	**9.37**	**8.7**	**10.51**	**(3.1)**
Diluted EPS (₹)	**10.18**	**9.36**	**8.7**	**10.50**	**(3.1)**

Consolidated statement of Comprehensive Income for year ended,

(As per IFRS)

In ₹crore, except per equity share data

Particulars	Mar 31, 2020	Mar 31, 2019	Growth %
Revenues	**90,791**	**82,675**	**9.8**
Cost of sales	60,732	53,867	12.7
Gross Profit	**30,059**	**28,808**	**4.3**
Operating Expenses:			
Selling and marketing expenses	4,711	4,473	5.3
Administrative expenses	5,974	5,455	9.5
Total Operating Expenses	**10,685**	**9,928**	**7.6**
Operating Profit	**19,374**	**18,880**	**2.6**
Operating Margin %	***21.3***	***22.8***	***(1.5)***
Other Income, net[1]	2,803	2,882	(2.7)
Finance cost[2]	(170)	-	-
Reduction in the fair value of Disposal Group held for sale[3]	-	(270)	-
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"[4]	-	(451)	-
Profit before income taxes	**22,007**	**21,041**	**4.6**
Income tax expense[5]	5,368	5,631	(4.7)
Net Profit	**16,639**	**15,410**	**8.0**
Minority Interest	45	6	-
Net Profit (after minority interest)	**16,594**	**15,404**	**7.7**
Basic EPS (₹)	**38.97**	**35.44**	**10.0**
Diluted EPS (₹)	**38.91**	**35.38**	**10.0**

[1] Other income includes interest on income tax refund of $2 million (₹8 crore) and Nil for the quarter ended March 31, 2020 and March 31, 2019 respectively, $37 million (₹259 crore) and $7 million (₹51 crore) for the year ended March 31, 2020 and March 31, 2019 respectively and $34 million (₹242 crore) for the quarter ended December 31, 2019.

[2] On account of adoption of IFRS 16- Leases effective April 1, 2019.

[3] Represents a reduction in the fair value amounting $39 million (₹270 crore) in respect of Panaya for the year ended March 31, 2019.

[4] Represents an adjustment in respect of excess of carrying amount over recoverable amount of $65 million (₹451 crore) in respect of Skava for the year ended March 31, 2019.

[5] During the year ended March 31, 2019, on account of the conclusion of an Advance Pricing Agreement ("APA") in an overseas jurisdiction, the Company has reversed income tax expense provision of $14 million (₹94 crore) which pertains to previous period.

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INDEPENDENT AUDITOR'S REPORT ON AUDIT OF STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

Opinion

We have audited the accompanying Statement of Standalone Financial Results of **INFOSYS LIMITED** (the "Company"), for the three months and year ended March 31, 2020 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the statement:

a. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and

b. gives a true and fair view in conformity with Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34") prescribed under Section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the three months and year ended March 31, 2020.

Basis for Opinion

We conducted our audit of the Statement in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As more fully described in Note 2 (d) to the Statement, the Company is responding to inquiries from Indian regulatory authorities. The scope, duration or outcome of these matters are uncertain.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Standalone Financial Results

This Statement, is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related audited Interim condensed standalone financial statements for the year ended March 31, 2020. The Company's Board of Directors are responsible for the preparation and presentation of the Standalone Financial Results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design,

implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole is 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 this Standalone Financial Results.

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 Standalone Financial Results, 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.

- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.

Materiality is the magnitude of misstatements in the Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Results.

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.

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.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)



Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
UDIN:

Place: Mumbai
Date: April 20, 2020

Deloitte
Haskins & Sells LLP

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INDEPENDENT AUDITOR'S REPORT ON AUDIT OF CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

Opinion

We have audited the accompanying Statement of Consolidated Financial Results of **INFOSYS LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), for the three months and year ended March 31, 2020 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

(i) includes the results of the subsidiaries as given in the Annexure to this report;

(ii) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and

(iii) gives a true and fair view in conformity with Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the three months and year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Interim Consolidated Financial Results 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As more fully described in Note 2 (d) to the Statement, the Group is subject to inquiries from Indian regulatory authorities. The scope, duration or outcome of these matters are uncertain.
Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Consolidated Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been compiled from the audited interim consolidated financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the Consolidated Financial Results that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Company, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results 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 this Consolidated Financial Results.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Results, 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.

- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors.

Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Results.

We communicate with those charged with governance of the Company and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Sanjiv Pilgaonkar
Partner
(Membership No. 039826)
UDIN:

Place: Mumbai
Date: April 20, 2020

Deloitte
Haskins & Sells LLP

Annexure to Auditors' Report

List of Subsidiaries:

1. Infosys Technologies (China) Co. Limited
2. Infosys Technologies S. de R. L. de C. V.
3. Infosys Technologies (Sweden) AB.
4. Infosys Technologies (Shanghai) Company Limited
5. Infosys Tecnologia DO Brasil LTDA. (effective October 01, 2019, merged into Infosys Consulting Ltda.)
6. Infosys Nova Holdings LLC.
7. EdgeVerve Systems Limited
8. Infosys Austria GmbH
9. Skava Systems Pvt. Ltd.
10. Kallidus Inc.
11. Infosys Chile SpA
12. Infosys Arabia Limited
13. Infosys Consulting Ltda.
14. Infosys CIS LLC
15. Infosys Luxembourg SARL
16. Infosys Americas Inc.
17. Infosys Technologies (Australia) Pty. Limited (liquidated effective November 17, 2019)
18. Infosys Public Services, Inc.
19. Infosys Canada Public Services Inc.
20. Infosys BPM Limited
21. Infosys (Czech Republic) Limited s.r.o.
22. Infosys Poland Sp Z.o.o
23. Infosys McCamish Systems LLC
24. Portland Group Pty Ltd
25. Infosys BPO Americas LLC.
26. Infosys Consulting Holding AG
27. Infosys Management Consulting Pty Limited
28. Infosys Consulting AG
29. Infosys Consulting GmbH
30. Infosys Consulting S.R.L, Romania
31. Infosys Consulting SAS
32. Infosys Consulting s.r.o.
33. Infosys Consulting (Shanghai) Co., Ltd.(formerly Lodestone Management Consultants Co., Ltd)
34. Infy Consulting Company Limited
35. Infy Consulting B.V.
36. Infosys Consulting Sp. Z.o.o
37. Lodestone Management Consultants Portugal, Unipessoal, Lda.
38. Infosys Consulting S.R.L, Argentina
39. Infosys Consulting (Belgium) NV
40. Panaya Inc.
41. Panaya Limited.
42. Panaya GmbH
43. Panaya Japan Co. Ltd (liquidated effective October 31, 2019)
44. Brilliant Basics Holdings Limited
45. Brilliant Basics Limited
46. Brilliant Basics (MENA) DMCC

Deloitte
Haskins & Sells LLP

Annexure to Auditors' Report

List of Subsidiaries:

47. Infosys Consulting Pte Ltd.
48. Infosys Middle East FZ LLC
49. Fluido Oy
50. Fluido Sweden AB (Extero)
51. Fluido Norway A/S
52. Fluido Denmark A/S
53. Fluido Slovakia s.r.o
54. Fluido Newco AB
55. Infosys Compaz PTE. Ltd
56. Infosys South Africa (Pty) Ltd
57. Wong Doody Holding Company Inc.
58. WDW Communications, Inc.
59. WongDoody, Inc
60. HIPUS (Acquired on April 01, 2019)
61. Stater N.V. (Acquired on May 23, 2019)
62. Stater Nederland B.V. (acquired on May 23, 2019)
63. Stater Duitsland B.V. (acquired on May 23, 2019)
64. Stater XXL B.V. (acquired on May 23, 2019)
65. HypoCasso B.V. (acquired on May 23, 2019)
66. Stater Participations B.V. (acquired on May 23, 2019)
67. Stater Deutschland Verwaltungs-GmbH (acquired on May 23, 2019)
68. Stater Deutschland GmbH & Co. KG (acquired on May 23, 2019)
69. Stater Belgium N.V./S.A. (Acquired on May 23, 2019)
70. Outbox systems Inc. dba Simplus (US) (acquired on March 13, 2020)
71. Simplus North America Inc. (acquired on March 13, 2020)
72. Simplus ANZ Pty Ltd. (acquired on March 13, 2020)
73. Simplus Australia Pty Ltd (acquired on March 13, 2020)
74. Sqware Peg Digital Pty Ltd (acquired on March 13, 2020)
75. Simplus Philippines, Inc. (acquired on March 13, 2020)
76. Simplus Europe, Ltd. (acquired on March 13, 2020)
77. Simplus U.K., Ltd. (acquired on March 13, 2020)
78. Simplus Ireland, Ltd. (acquired on March 13, 2020)
79. Infosys Employees Welfare Trust
80. Infosys Employee Benefits Trust
81. Infosys Science Foundation
82. Infosys Expanded Stock Ownership Trust

Infosys
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Q4 FY 20
Financial
Results

Infosys Limited
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Statement of Audited results of Infosys Limited for the quarter and year ended March 31, 2020
prepared in compliance with the Indian Accounting Standards (Ind-AS)

(in ₹ crore, except per equity share data)

Particulars	Quarter ended March 31, 2020	Quarter ended December 31, 2019	Quarter ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
	Audited	Audited	Audited	Audited	Audited
Revenue from operations	20,187	20,064	18,935	79,047	73,107
Other income, net (Refer Note 2(e))	585	798	639	2,700	2,852
Total income	**20,772**	**20,862**	**19,574**	**81,747**	**75,959**
Expenses					
Employee benefit expenses	10,666	10,783	10,198	42,434	38,296
Cost of technical sub-contractors	2,168	2,189	2,040	8,447	7,646
Travel expenses	564	494	486	2,241	1,906
Cost of software packages and others	457	427	392	1,656	1,646
Communication expenses	100	95	87	381	339
Consultancy and professional charges	284	296	312	1,066	1,096
Depreciation and amortisation expense##	548	544	429	2,144	1,599
Finance cost	31	28	-	114	-
Other expenses	826	601	677	2,787	2,770
Reduction in the fair value of assets held for sale (Refer Note 1(a))	-	-	-	-	265
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" (Refer Note 1(a))	-	-	-	-	469
Total expenses	**15,644**	**15,457**	**14,621**	**61,270**	**56,032**
Profit before tax	**5,128**	**5,405**	**4,953**	**20,477**	**19,927**
Tax expense: (Refer Note 1(b))					
Current tax	1,194	1,408	1,053	5,235	5,189
Deferred tax	(135)	(79)	80	(301)	36
Profit for the period	**4,069**	**4,076**	**3,820**	**15,543**	**14,702**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability / asset, net***	(25)	(124)	(3)	(184)	(21)
Equity instruments through other comprehensive income, net	(3)	(30)	9	(31)	78
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedges, net	-	(29)	(15)	(36)	21
Fair value changes on investments, net	13	(12)	22	17	1
Total other comprehensive income/ (loss), net of tax	**(15)**	**(195)**	**13**	**(234)**	**79**
Total comprehensive income for the period	**4,054**	**3,881**	**3,833**	**15,309**	**14,781**
Paid-up share capital (par value ₹5/- each fully paid)	2,129	2,129	2,178	2,129	2,178
Other Equity*	60,105	60,533	60,533	60,105	60,533
Earnings per equity share (par value ₹5 /- each)**					
Basic (₹)	9.55	9.57	8.75	36.34	33.66
Diluted (₹)	9.55	9.57	8.74	36.32	33.64

** Balances for the quarter ended December 31,2019 represents balances as per the audited Balance Sheet for the year ended March 31, 2019 as required by SEBI (Listing and Other Disclosure Requirements) Regulations, 2015*

*** EPS is not annualized for the quarter ended March 31, 2020, December 31, 2019 and March 31, 2019*

**** Includes unrealised losses on certain investments carried in the PF trust for the quarter and year ended March 31, 2020 and quarter ended December 31,2019*

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application.

1. Notes pertaining to the previous quarters / periods

a) During the year ended March 31, 2019, the Company had recorded a reduction in the fair value of its investments in Panaya, by ₹ 265 crore in the interim condensed standalone Statement of Profit and Loss of Infosys. Further, in accordance with Ind AS 105 -" Non current Assets held for Sale and Discontinued Operations", the Company reclassified the investment in subsidiaries Panaya and Skava from"Held for Sale" and recorded an adjustment in respect of excess of carrying amount over recoverable amount amounting to ₹ 469 crore in respect of Skava in the interim condensed standalone Statement of Profit and Loss for the year ended March 31, 2019.

b)During the year ended March 31, 2019, on account of the conclusion of an Advance Pricing Agreement ("APA") in an overseas jurisdiction, the Company has reversed income tax expense provision of ₹94 crore which pertains to previous period.

2. Notes pertaining to the current quarter

a) The audited interim condensed standalone financial statements for the quarter and year ended March 31, 2020 have been taken on record by the Board of Directors at its meeting held on April 20, 2020. **The statutory auditors, Deloitte Haskins & Sells LLP have expressed an unmodified audit opinion.** The information presented above is extracted from the audited interim condensed standalone financial statements. These interim condensed standalone financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

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

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investments in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

c) Changes to the Board

i) The Board, based on the recommendation of the Nomination and Remuneration Committee, appointed Uri Levine as an additional and Independent Director of the Company effective April 20, 2020 for a period of 3 years,subject to the approval of the shareholders.

ii) D N Prahlad, Independent Director, has resigned from the company effective April 20,2020 citing personal reasons. The Board placed on record its appreciation for the services rendered by him during his tenure.

d) Update on the whistleblower matter

i) The Audit Committee appointed an external legal counsel to conduct an independent investigation into the whistleblower allegations which have been previously disclosed to Stock Exchanges on October 22, 2019 and to the Securities and Exchange Commission (SEC) on Form 6-K on the same date. As previously disclosed on January 10, 2020, the outcome of the investigation has not resulted in restatement of previously issued financial statements.

ii) The Company cooperated with an investigation by the SEC regarding the same matters. In March 2020, the Company received notification from the SEC that the SEC has concluded its investigation and the Company does not anticipate any further action by the SEC on this matter. The Company is responding to all the inquires received from the Indian regulatory authorities and will continue to cooperate with the authorities for any additional requests for information. Additionally, in October 2019, a shareholder class action lawsuit was filed in the United States District Court for the Eastern District of New York against the Company and certain of its current and former officers for alleged violations of the US federal securities laws. The Company is presently unable to predict the scope, duration or the outcome of these matters.

e) Other income includes interest on income tax refund of ₹8 crore and Nil for the quarter ended March 31, 2020 and March 31, 2019 respectively, ₹250 crore and ₹50 crore for the year ended March 31, 2020 and March 31, 2019 respectively, and ₹242 crore for the quarter ended December 31, 2019.

f) Update on employee stock grants

i) The Board, on April 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, approved the performance-based grant of RSUs amounting to ₹13 crore for the financial year 2021 under the 2015 Stock Incentive Compensation Plan (2015 plan) to Salil Parekh, CEO and MD. This was pursuant to the approval from the shareholders through postal ballot concluded on February 20, 2018 and as per the shareholders' approval in the Annual General meeting held on June 22, 2019. These RSUs will vest in line with the current employment agreement. The RSUs will be granted w.e.f May 2, 2020 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2020.

ii) The Board, on April 20, 2020, based on the recommendation of the Board of Directors of the Company, had approved the grant of annual performance-based stock incentives in the form of Restricted Stock Units (RSU's) to Salil Parekh, CEO & MD covering Company's equity shares having a market value of ₹10 crore as on the date of the grant under the Infosys Expanded Stock Ownership Program-2019 (2019 Plan), which shall vest 12 months from the date of the grant subject to the Company's achievement of certain performance criteria as laid out in the 2019 Plan. This was pursuant to the approval from the shareholders in the Annual General meeting held on June 22, 2019.The RSUs will be granted w.e.f May 2, 2020 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2020.

iii) The Board, on April 20, 2020, based on the recommendation of the Board of Directors of the Company, had approved the grant of annual performance-based stock incentives in the form of Restricted Stock Units (RSU's) to U.B. Pravin Rao, COO & Whole Time Director covering Company's equity shares having a market value of ₹4 crore as on the date of the grant under the 2019 Plan, which shall vest 12 months from the date of the grant subject to the Company's achievement of certain performance criteria as laid out in the 2019 Plan. This was pursuant to the approval from the shareholders in the Annual General meeting held on June 22, 2019.The RSUs will be granted w.e.f May 2, 2020 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2020.

iv) Based on the recommendations of the Nominations and Remuneration Committee, the Board, on April 20, 2020, under the 2015 plan, approved an annual performance based RSU having market value of ₹0.75 crore to a KMP. These RSU's will vest in line with the employment agreement based on the achievement of certain performance targets. The RSUs will be granted w.e.f May 2, 2020 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2020.

v) On recommendation of the Nomination and Remuneration Committee, the Board in its meeting held on April 20, 2020, approved the grant of 24,600 RSUs to an eligible employee under the 2015 Plan. The grant date for these RSUs is May 2, 2020. The RSUs would vest over a period of four years and the exercise price of RSUs will be equal to the par value of the share.

3. Information on dividends for the quarter and year ended March 31, 2020

For financial year 2020, the Board recommended a final dividend of ₹9.50/- (par value of ₹5/- each) per equity share. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company. The dividend will be paid on the 5th working day from the date of declaration of the final dividend by the shareholders. In view of COVID 2019 the Company is working on an AGM date. The book closure date for the purpose of the payment of final dividend and AGM date will be announced in due course. For the financial year ended 2019, the Company declared a special dividend of ₹4/- per share and a final dividend of ₹10.50/- per share.

An interim dividend of ₹8/- per equity share was declared on October 11, 2019 and the same was paid on October 30, 2019.The interim dividend declared in the previous year was ₹7/- per equity share.

(in ₹)

Particulars	Quarter ended March 31, 2020	Quarter ended December 31, 2019	Quarter ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Dividend per share (par value ₹5/- each)					
Interim dividend	-	-	-	8.00	7.00
Final dividend	9.50	-	10.50	9.50	10.50
Special dividend	-	-	-	-	4.00

4. Audited Standalone Balance Sheet

(in ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
ASSETS		
Non-current assets		
Property, plant and equipment	11,092	10,394
Right of use assets	2,805	-
Capital work-in-progress	945	1,212
Goodwill	29	29
Other Intangible assets	48	74
Financial assets		
Investments	13,916	12,062
Loans	298	16
Other financial assets	613	196
Deferred tax assets (net)	1,429	1,114
Income tax assets (net)	4,773	5,870
Other non-current assets	1,273	1,740
Total non-current assets	**37,221**	**32,707**
Current assets		
Financial assets		
Investments	4,006	6,077
Trade receivables	15,459	13,370
Cash and cash equivalents	13,562	15,551
Loans	307	1,048
Other financial assets	4,398	4,834
Income tax assets (net)	-	423
Other current assets	6,088	4,920
Total current assets	**43,820**	**46,223**
Total assets	**81,041**	**78,930**

EQUITY AND LIABILITIES		
Equity		
Equity share capital	2,129	2,178
Other equity	60,105	60,533
Total equity	**62,234**	**62,711**
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Lease liabilities	2,775	-
Other financial liabilities	49	79
Deferred tax liabilities (net)	556	541
Other non-current liabilities	207	169
Total non - current liabilities	**3,587**	**789**
Current liabilities		
Financial liabilities		
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,529	1,604
Lease liabilities	390	-
Other financial liabilities	7,936	8,528
Other current liabilities	3,557	3,335
Provisions	506	505
Income tax liabilities (net)	1,302	1,458
Total current liabilities	**15,220**	**15,430**
Total equity and liabilities	**81,041**	**78,930**

The disclosure is an extract of the audited Balance Sheet as at March 31, 2020 and March 31, 2019 prepared in compliance with the Indian Accounting Standards (Ind-AS).

5. Audited Standalone Statement of Cash flows

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Cash flow from operating activities:		
Profit for the period	15,543	14,702
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortization	2,144	1,599
Income tax expense	4,934	5,225
Impairment loss recognized / (reversed) under expected credit loss model	127	176
Finance cost	114	-
Interest and dividend income	(1,502)	(1,996)
Stock compensation expense	226	-
Other adjustments	(248)	57
Reduction in the fair value of assets held for sale	-	265
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	-	469
Exchange differences on translation of assets and liabilities	17	80
Changes in assets and liabilities		
Trade receivables and unbilled revenue	(3,621)	(2,268)
Other financial assets and other assets	319	(581)
Trade payables	(75)	866
Other financial liabilities, other liabilities and provisions	1,475	1,666
Cash generated from operations	**19,453**	**20,260**
Income taxes paid	(3,881)	(6,271)
Net cash generated by operating activities	**15,572**	**13,989**
Cash flow from investing activities:		
Expenditure on property, plant and equipment	(3,063)	(2,306)
Deposits placed with corporations	(112)	(116)
Loans to employees	(2)	4
Loan given to subsidiary	(1,210)	(678)
Loan repaid by subsidiary	444	20
Proceeds from redemption of debentures	286	335
Investment in subsidiaries	(1,338)	(228)
Proceeds from return of investment	-	33
Payment towards acquisition of business	-	(261)
Payment of contingent consideration pertaining to acquisition	(6)	(6)
Redemption of escrow pertaining to buyback	257	(257)
Other receipts	46	-
Payments to acquire investments		
Preference, equity securities and others	(41)	(18)
Liquid mutual fund units and fixed maturity plan securities	(30,500)	(72,889)
Tax free bonds and Government bonds	(11)	(11)
Certificates of deposit	(876)	(2,052)
Commercial paper	-	(491)
Non Convertible debentures	(733)	(100)
Government Securities	(1,561)	(838)
Others	(2)	-
Proceeds on sale of investments		
Preference and equity securities	-	115
Liquid mutual fund units and fixed maturity plan securities	30,332	71,337
Tax free bonds and Government bonds	12	1
Non-convertible debentures	1,788	602
Certificates of deposit	2,175	5,150
Commercial paper	500	300
Government Securities	1,673	123
Others	9	-
Interest and dividend received	1,817	1,644
Net cash used in investing activities	**(116)**	**(587)**
Cash flow from financing activities:		
Payment of lease liabilities	(364)	-
Buyback of equity shares including transaction cost	(7,478)	(813)
Payment of dividends (including dividend distribution tax)	(9,551)	(13,761)
Shares issued on exercise of employee stock options	2	3
Net cash used in financing activities	**(17,391)**	**(14,571)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(54)	(50)
Net increase / (decrease) in cash and cash equivalents	(1,935)	(1,169)
Cash and cash equivalents at the beginning of the period	15,551	16,770
Cash and cash equivalents at the end of the period	**13,562**	**15,551**
Supplementary information:		
Restricted cash balance	101	143

The disclosure is an extract of the audited Statement of Cash flows for the year ended March 31, 2020 and March 31, 2019 prepared in compliance with Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting.

6. Segment Reporting

The Company publishes standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the company has disclosed the segment information in the audited consolidated financial statements. Accordingly, the segment information is given in the audited consolidated financial results of Infosys Limited and its subsidiaries for the quarter and year ended March 31, 2020.

By order of the Board
for Infosys Limited

PRAVIN RAO UB

Digitally signed by PRAVIN RAO UB
Date: 2020.04.20 16:57:30 +05'30'

Bengaluru, India
April 20, 2020

U.B. Pravin Rao
Chief Operating Officer and Whole-time Director

Certain statements in this release concerning our future growth prospects, financial expectations and plans for navigating the COVID-19 impact on our employees, clients and stakeholders are forward-looking statements intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding COVID-19 and the effects of government and other measures seeking to contain its spread, risks related to an economic downturn or recession in India, the United States and other countries around the world, changes in political, business, and economic conditions, fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry and the outcome of pending litigation and government investigation. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2019. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the Securities and Exchange Commission and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.

Infosys
Navigate your next

Q4 FY 20
Financial
Results

Infosys Limited
CIN : L85110KA1981PLC013115
Regd. Office: Electronics City, Hosur Road, Bengaluru 560 100, India.
Website: www.infosys.com; Email: investors@infosys.com; Telephone: 91 80 2852 0261; Fax: 91 80 2852 0362

Statement of Consolidated Audited Results of Infosys Limited and its subsidiaries for the quarter and year ended March 31, 2020 prepared in compliance with the Indian Accounting Standards (Ind-AS)

(in ₹ crore, except per equity share data)

Particulars	Quarter ended March 31,	Quarter ended December 31,	Quarter ended March 31,	Year ended March 31,	
	2020	2019	2019	2020	2019
	Audited	Audited	Audited	Audited	Audited
Revenue from operations	23,267	23,092	21,539	90,791	82,675
Other income, net (Refer Note 2(e))	614	827	665	2,803	2,882
Total Income	**23,881**	**23,919**	**22,204**	**93,594**	**85,557**
Expenses					
Employee benefit expenses	12,916	12,994	12,074	50,887	45,315
Cost of technical sub-contractors	1,704	1,721	1,601	6,714	6,033
Travel expenses	667	617	603	2,710	2,433
Cost of software packages and others	755	651	689	2,703	2,553
Communication expenses	139	132	115	528	471
Consultancy and professional charges	339	362	376	1,326	1,324
Depreciation and amortisation expenses[##]	749	737	531	2,893	2,011
Finance cost	45	42	-	170	-
Other expenses	1,071	814	932	3,656	3,655
Reduction in the fair value of Disposal Group Held for Sale (Refer Note 1(a))	-	-	-	-	270
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held For Sale" (Refer Note 1(a))	-	-	-	-	451
Total expenses	**18,385**	**18,070**	**16,921**	**71,587**	**64,516**
Profit before tax	**5,496**	**5,849**	**5,283**	**22,007**	**21,041**
Tax expense: (Refer Note 1(b))					
Current tax	1,335	1,492	1,193	5,775	5,727
Deferred tax	(174)	(109)	12	(407)	(96)
Profit for the period	**4,335**	**4,466**	**4,078**	**16,639**	**15,410**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net***	(21)	(120)	(3)	(180)	(22)
Equity instruments through other comprehensive income, net	(2)	(36)	1	(33)	70
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedges, net	-	(29)	(15)	(36)	21
Exchange differences on translation of foreign operations	237	151	(70)	378	63
Fair value changes on investments, net	15	(11)	25	22	2
Total other comprehensive income/(loss), net of tax	**229**	**(45)**	**(62)**	**151**	**134**
Total comprehensive income for the period	**4,564**	**4,421**	**4,016**	**16,790**	**15,544**
Profit attributable to:					
Owners of the company	4,321	4,457	4,074	16,594	15,404
Non-controlling interest	14	9	4	45	6
	4,335	**4,466**	**4,078**	**16,639**	**15,410**
Total comprehensive income attributable to:					
Owners of the company	4,545	4,406	4,012	16,732	15,538
Non-controlling interest	19	15	4	58	6
	4,564	**4,421**	**4,016**	**16,790**	**15,544**
Paid up share capital (par value ₹5/- each, fully paid)	2,122	2,122	2,170	2,122	2,170
Other equity *[#]	63,328	62,778	62,778	63,328	62,778
Earnings per equity share (par value ₹5/- each)**					
Basic (₹)	10.19	10.51	9.37	38.97	35.44
Diluted (₹)	10.18	10.50	9.36	38.91	35.38

** Balances for the quarter ended December 31,2019 represents balances as per the audited Balance Sheet for the year ended March 31, 2019 as required by SEBI (Listing and Other Disclosure Requirements) Regulations, 2015*

*** EPS is not annualized for the quarter ended March 31, 2020, December 31, 2019 and March 31, 2019*

**** Includes unrealised losses on certain investments carried in the PF trust for the quarter and year ended March 31, 2020 and quarter ended December 31, 2019*

[#] Excludes non-controlling interest

[##] Effective April 1, 2019, the Group adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application.

1. Notes pertaining to the previous quarters / periods

a) The subsidiaries Kallidus and Skava (together referred to as "Skava") and Panaya, are collectively referred to as the "Disposal Group". During the year ended March 31, 2019, the Company had recorded a reduction in the fair value by ₹270 crore in respect of its subsidiary Panaya. Further, in accordance with Ind AS 105 -" Non current Assets held for Sale and Discontinued Operations", the Company concluded that the Disposal Group did not meet the criteria for "Held for Sale" classification and accordingly, on such reclassification, the Company recorded an adjustment in respect of excess of carrying amount over recoverable amount of ₹451 crore in respect of Skava in the consolidated statement of Profit and Loss during the year ended March 31, 2019.

b) During the year ended March 31, 2019, on account of the conclusion of an Advance Pricing Agreement ("APA") in an overseas jurisdiction, the Company has reversed income tax expense provision of ₹94 crore which pertains to previous period.

2. Notes pertaining to the current quarter

a) The audited interim consolidated financial statements for the quarter and year ended March 31, 2020 have been taken on record by the Board of Directors at its meeting held on April 20, 2020. **The statutory auditors, Deloitte Haskins & Sells LLP have expressed an unmodified audit opinion.** The information presented above is extracted from the audited interim consolidated financial statements. These interim consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

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

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

c) Changes to the Board

i) The Board, based on the recommendation of the Nomination and Remuneration Committee, appointed Uri Levine as an additional and Independent Director of the Company effective April 20, 2020 for a period of 3 years,subject to the approval of the shareholders.

ii) D N Prahlad, Independent Director, has resigned from the company to devote more time for his other business commitments with effect from April 20, 2020. The Board placed on record its appreciation for the services rendered by him during his tenure.

d) Update on the whistleblower matter

i) The Audit Committee appointed an external legal counsel to conduct an independent investigation into the whistleblower allegations which have been previously disclosed to Stock Exchanges on October 22, 2019 and to the Securities and Exchange Commission (SEC) on Form 6-K on the same date. As previously disclosed on January 10, 2020, the outcome of the investigation has not resulted in restatement of previously issued financial statements.

ii) The Company cooperated with an investigation by the SEC regarding the same matters. In March 2020, the Company received notification from the SEC that the SEC has concluded its investigation and the Company does not anticipate any further action by the SEC on this matter. The Company is responding to all the inquires received from the Indian regulatory authorities and will continue to cooperate with the authorities for any additional requests for information. Additionally, in October 2019, a shareholder class action lawsuit was filed in the United States District Court for the Eastern District of New York against the Company and certain of its current and former officers for alleged violations of the US federal securities laws. The Company is presently unable to predict the scope, duration or the outcome of these matters.

e) Other income includes interest on income tax refund of ₹8 crore and Nil for the quarter ended March 31, 2020 and March 31, 2019 respectively, ₹259 crore and ₹51 crore for the year ended March 31, 2020 and March 31, 2019 respectively, and ₹242 crore for the quarter ended December 31, 2019.

f) Acquisition

On March 13, 2020, Infosys Nova Holdings LLC (a wholly owned subsidiary of Infosys Limited) acquired 100% of voting interests in Outbox systems Inc. dba Simplus , a US based Salesforce advisor and consulting partner in cloud consulting, implementation and training services for a total consideration of up to $250 million (approximately ₹1,892 crore), comprising cash consideration of $180 million (approximately ₹1,362 crore), contingent consideration of up to $20 million (approximately ₹151 crore), additional performance bonus and retention payouts of upto $50 million (approximately ₹378 crore) payable to the employees of Simplus over the next three years, subject to their continuous employment with the group and meeting certain targets.

The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill; Simplus brings to Infosys globally recognized Salesforce expertise, industry knowledge, solution assets, deep ecosystem relationships and a broad clientele, across a variety of industries.

g) Update on employee stock grants

i) The Board, on April 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, approved the performance-based grant of RSUs amounting to ₹13 crore for the financial year 2021 under the 2015 Stock Incentive Compensation Plan (2015 plan) to Salil Parekh, CEO and MD. This was pursuant to the approval from the shareholders through postal ballot concluded on February 20, 2018 and as per the shareholders' approval in the Annual General meeting held on June 22, 2019. These RSUs will vest in line with the current employment agreement.The RSUs will be granted w.e.f May 2, 2020 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2020.

ii) The Board, on April 20, 2020, based on the recommendation of the Board of Directors of the Company, had approved the grant of annual performance-based stock incentives in the form of Restricted Stock Units (RSU's) to Salil Parekh, CEO & MD covering Company's equity shares having a market value of ₹10 crore as on the date of the grant under the Infosys Expanded Stock Ownership Program-2019 (2019 Plan), which shall vest 12 months from the date of the grant subject to the Company's achievement of certain performance criteria as laid out in the 2019 Plan.This was pursuant to the approval from the shareholders in the Annual General meeting held on June 22, 2019.The RSUs will be granted w.e.f May 2, 2020 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2020.

iii) The Board, on April 20, 2020, based on the recommendation of the Board of Directors of the Company, had approved the grant of annual performance-based stock incentives in the form of Restricted Stock Units (RSU's) to U.B. Pravin Rao, COO & Whole Time Director covering Company's equity shares having a market value of ₹4 crore as on the date of the grant under the 2019 Plan, which shall vest 12 months from the date of the grant subject to the Company's achievement of certain performance criteria as laid out in the 2019 Plan. This was pursuant to the approval from the shareholders in the Annual General meeting held on June 22, 2019.The RSUs will be granted w.e.f May 2, 2020 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2020.

iv) Based on the recommendations of the Nominations and Remuneration Committee, the Board, on April 20, 2020, under the 2015 plan, approved an annual performance based RSU having market value of ₹0.75 crore to a KMP. These RSU's will vest in line with the employment agreement based on the achievement of certain performance targets. The RSUs will be granted w.e.f May 2, 2020 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2020.

v) On recommendation of the Nomination and Remuneration Committee, the Board in its meeting held on April 20, 2020, approved the grant of 24,600 RSUs to an eligible employee under the 2015 Plan. The grant date for these RSUs is May 2, 2020. The RSUs would vest over a period of four years and the exercise price of RSUs will be equal to the par value of the share.

3. Information on dividends for the quarter and year ended March 31, 2020

For financial year 2020, the Board recommended a final dividend of ₹9.50/- (par value of ₹5/- each) per equity share. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company.The dividend will be paid on the 5th working day from the date of declaration of the final dividend by the shareholders. In view of COVID-19 the Company is working on an AGM date.The book closure date for the purpose of the payment of final dividend and AGM date will be announced in due course.For the financial year ended 2019, the Company declared a special dividend of ₹4/- per share and a final dividend of ₹10.50/- per share.

An interim dividend of ₹8/- per equity share was declared on October 11, 2019 and the same was paid on October 30, 2019.The interim dividend declared in the previous year was ₹7/- per equity share.

(in ₹)

Particulars	Quarter ended March 31,	Quarter ended December 31,	Quarter ended March 31,	Year ended March 31,	
	2020	2019	2019	2020	2019
Dividend per share (par value ₹5/- each)					
Interim dividend	-	-	-	8.00	7.00
Final dividend	9.50	-	10.50	9.50	10.50
Special dividend	-	-	-	-	4.00

4. Audited Consolidated Balance Sheet

(in ₹ crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
ASSETS		
Non-current assets		
Property, plant and equipment	12,435	11,479
Right of use assets	4,168	-
Capital work-in-progress	954	1,388
Goodwill	5,286	3,540
Other Intangible assets	1,900	691
Financial assets:		
Investments	4,137	4,634
Loans	21	19
Other financial assets	737	312
Deferred tax assets (net)	1,744	1,372
Income tax assets (net)	5,384	6,320
Other non-current assets	1,426	2,105
Total non-current assets	**38,192**	**31,860**

Current assets		
Financial assets		
Investments	4,655	6,627
Trade receivables	18,487	14,827
Cash and cash equivalents	18,649	19,568
Loans	239	241
Other financial assets	5,457	5,505
Income tax assets (net)	7	423
Other current assets	7,082	5,687
Total current assets	**54,576**	**52,878**
Total Assets	**92,768**	**84,738**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	2,122	2,170
Other equity	63,328	62,778
Total equity attributable to equity holders of the Company	**65,450**	**64,948**
Non-controlling interests	394	58
Total equity	**65,844**	**65,006**
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	4,014	-
Other financial liabilities	807	147
Deferred tax liabilities (net)	968	672
Other non-current liabilities	279	275
Total non-current liabilities	**6,068**	**1,094**
Current liabilities		
Financial liabilities		
Trade payables	2,852	1,655
Lease liabilities	619	-
Other financial liabilities	10,481	10,452
Other Current Liabilities	4,842	4,388
Provisions	572	576
Income tax liabilities (net)	1,490	1,567
Total current liabilities	**20,856**	**18,638**
Total equity and liabilities	**92,768**	**84,738**

The disclosure is an extract of the audited Consolidated Balance Sheet as at March 31, 2020 and March 31, 2019 prepared in compliance with the Indian Accounting Standards (Ind-AS).

5. Audited Consolidated Statement of Cash Flows

(in ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Cash flow from operating activities		
Profit for the period	16,639	15,410
Adjustments to reconcile net profit to net cash provided by operating activities:		
Income tax expense	5,368	5,631
Depreciation and amortization	2,893	2,011
Interest and dividend income	(1,613)	(2,052)
Finance cost	170	-
Impairment loss recognized / (reversed) under expected credit loss model	161	239
Exchange differences on translation of assets and liabilities	184	66
Reduction in the fair value of Disposal Group held for sale	-	270
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	-	451
Stock compensation expense	249	202
Other adjustments	(131)	(102)
Changes in assets and liabilities		
Trade receivables and unbilled revenue	(3,861)	(2,881)
Loans, other financial assets and other assets	76	(700)
Trade payables	(373)	916
Other financial liabilities, other liabilities and provisions	1,791	2,212
Cash generated from operations	**21,553**	**21,673**
Income taxes paid	(4,550)	(6,832)
Net cash generated by operating activities	**17,003**	**14,841**
Cash flows from investing activities		
Expenditure on property, plant and equipment	(3,307)	(2,445)
Loans to employees	-	14
Deposits placed with corporation	(108)	(24)
Interest and dividend received	1,929	1,557
Payment towards acquisition of business, net of cash acquired	(1,860)	(550)
Payment of contingent consideration pertaining to acquisition of business	(6)	(18)
Advance payment towards acquisition of business	-	(206)
Redemption of escrow pertaining to Buyback	257	(257)
Other receipts	46	-
Payments to acquire Investments		
Preference, equity securities and others	(41)	(21)
Tax free bonds and government bonds	(19)	(17)
Liquid mutual funds and fixed maturity plan securities	(34,839)	(78,355)
Non convertible debentures	(993)	(160)
Certificates of deposit	(1,114)	(2,393)
Government securities	(1,561)	(838)
Commercial paper	-	(491)
Others	(29)	(19)
Proceeds on sale of financial assets		
Tax free bonds and government bonds	87	1
Non-convertible debentures	1,888	738
Government securities	1,674	123
Commercial paper	500	300
Certificates of deposit	2,545	5,540
Liquid mutual funds and fixed maturity plan securities	34,685	76,821
Preference and equity securities	27	115
Others	-	10
Net cash (used in) / from investing activities	**(239)**	**(575)**

Cash flows from financing activities:		
Payment of lease liabilities	(571)	-
Payment of dividends (including dividend distribution tax)	(9,515)	(13,705)
Payment of dividend to non-controlling interest of subsidiary	(33)	-
Shares issued on exercise of employee stock options	6	6
Buyback of equity shares including transaction cost	(7,478)	(813)
Net cash used in financing activities	**(17,591)**	**(14,512)**
Net increase / (decrease) in cash and cash equivalents	(827)	(246)
Cash and cash equivalents at the beginning of the period	19,568	19,871
Effect of exchange rate changes on cash and cash equivalents	(92)	(57)
Cash and cash equivalents at the end of the period	**18,649**	**19,568**
Supplementary information:		
Restricted cash balance	396	358

The disclosure is an extract of the audited Consolidated Statement of Cash flows for the year ended March 31, 2020 and March 31, 2019 prepared in compliance with Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting.

6. Segment reporting (Consolidated - Audited)

(in ₹ crore)

Particulars	Quarter ended March 31,	Quarter ended December 31,	Quarter ended March 31,	Year ended March 31,	
	2020	2019	2019	2020	2019
Revenue by business segment					
Financial Services [1]	7,282	7,274	6,805	28,625	26,477
Retail [2]	3,622	3,530	3,416	14,035	13,556
Communication [3]	3,017	3,002	2,921	11,984	10,426
Energy, Utilities, Resources and Services	2,992	2,948	2,747	11,736	10,390
Manufacturing	2,363	2,378	2,161	9,131	8,152
Hi-Tech	1,831	1,749	1,650	6,972	6,177
Life Sciences [4]	1,484	1,559	1,287	5,837	5,203
All other segments [5]	676	652	552	2,471	2,294
Total	**23,267**	**23,092**	**21,539**	**90,791**	**82,675**
Less: Inter-segment revenue	-	-	-	-	-
Net revenue from operations	**23,267**	**23,092**	**21,539**	**90,791**	**82,675**
Segment profit before tax, depreciation and non-controlling interests:					
Financial Services [1]	1,863	1,863	1,721	7,306	6,878
Retail [2]	1,058	1,084	1,017	4,212	4,034
Communication [3]	560	618	578	2,424	2,517
Energy, Utilities , Resources and Services	856	818	634	3,216	2,542
Manufacturing	557	581	471	2,059	1,853
Hi-Tech	431	411	376	1,604	1,548
Life Sciences [4]	344	417	323	1,431	1,419
All other segments [5]	37	15	37	64	116
Total	**5,706**	**5,807**	**5,157**	**22,316**	**20,907**
Less: Other unallocable expenditure	779	743	539	2,942	2,027
Add: Unallocable other income	614	827	665	2,803	2,882
Less: Finance cost	45	42	-	170	-
Less: Reduction in the fair value of Disposal Group Held for Sale	-	-	-	-	270
Less: Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held For Sale"	-	-	-	-	451
Profit before tax and non-controlling interests	**5,496**	**5,849**	**5,283**	**22,007**	**21,041**

[1] *Financial Services include enterprises in Financial Services and Insurance*
[2] *Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics*
[3] *Communication includes enterprises in Communication, Telecom OEM and Media*
[4] *Life Sciences includes enterprises in Life sciences and Health care*
[5] *All other segments include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services*

Notes on segment information

Business segments
Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

Segmental capital employed
Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between segments. The Management believes that it is not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

7. Audited financial results of Infosys Limited (Standalone Information)

(in ₹ crore)

Particulars	Quarter ended March 31,	Quarter ended December 31,	Quarter ended March 31,	Year ended March 31,	
	2020	2019	2019	2020	2019
Revenue from operations	20,187	20,064	18,935	79,047	73,107
Profit before tax (Refer notes below)	5,128	5,405	4,953	20,477	19,927
Profit for the period (Refer notes below)	4,069	4,076	3,820	15,543	14,702

The audited results of Infosys Limited for the above mentioned periods are available on our website, www.infosys.com and on the Stock Exchange website www.nseindia.com and www.bseindia.com. The information above has been extracted from the audited interim standalone condensed financial statements as stated.

Note:

1) During the year ended March 31, 2019, on account of the conclusion of an Advance Pricing Agreement ("APA") in an overseas jurisdiction, the Company has reversed income tax expense provision of ₹94 crore which pertains to previous period.

2) During the year ended March 31, 2019, the Company had recorded a reduction in the fair value of its investments in Panaya, by ₹ 265 crore in the interim condensed standalone Statement of Profit and Loss of Infosys. Further, in accordance with Ind AS 105 -" Non current Assets held for Sale and Discontinued Operations", the Company reclassified the investment in subsidiaries Panaya and Skava from"Held for Sale" and recorded an adjustment in respect of excess of carrying amount over recoverable amount amounting to ₹ 469 crore in respect of Skava in the interim condensed standalone Statement of Profit and Loss for the year ended March 31, 2019.

3)Other income includes interest on income tax refund of ₹8 crore and Nil for the quarter ended March 31, 2020 and March 31, 2019 respectively, ₹250 crore and ₹50 crore for the year ended March 31, 2020 and March 31, 2019 respectively, and ₹242 crore for the quarter ended December 31, 2019.

By order of the Board
for Infosys Limited

PRAVIN RAO UB Digitally signed by PRAVIN RAO UB Date: 2020.04.20 16:54:27 +05'30'

Bengaluru, India
April 20, 2020

U.B. Pravin Rao
Chief Operating Officer and Whole-time Director

The Board has also taken on record the condensed consolidated results of Infosys Limited and its subsidiaries for the quarter and year ended March 31, 2020, prepared as per International Financial Reporting Standards (IFRS) and reported in US dollars. A summary of the financial statements is as follows:

(in US$ million, except per equity share data)

Particulars	Quarter ended March 31,	Quarter ended December 31,	Quarter ended March 31,	Year ended March 31,	
	2020	2019	2019	2020	2019
	Unaudited	Audited	Unaudited	Audited	Audited
Revenues	3,197	3,243	3,060	12,780	11,799
Cost of sales	2,133	2,159	2,028	8,552	7,687
Gross profit	**1,064**	**1,084**	**1,032**	**4,228**	**4,112**
Operating expenses	390	373	374	1,504	1,416
Operating profit	**674**	**711**	**658**	**2,724**	**2,696**
Other income, net (Refer Note 3)	84	116	94	395	411
Finance cost	(6)	(6)	-	(24)	-
Reduction in the fair value of Disposal Group held for sale (Refer Note 1)	-	-	-	-	(39)
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" (Refer Note 1)	-	-	-	-	(65)
Profit before income taxes	**752**	**821**	**752**	**3,095**	**3,003**
Income tax expense (Refer Note 2)	160	194	171	757	803
Net profit	**592**	**627**	**581**	**2,338**	**2,200**
Earnings per equity share *					
Basic	0.14	0.15	0.13	0.55	0.51
Diluted	0.14	0.15	0.13	0.55	0.51
Total assets	12,260	12,110	12,252	12,260	12,252
Cash and cash equivalents and current investments	3,080	2,853	3,787	3,080	3,787

** EPS is not annualized for the quarter ended March 31, 2020, December 31, 2019 and March 31, 2019.*

Note-

1) The subsidiaries Kallidus and Skava (together referred to as "Skava") and Panaya, are collectively referred to as the "Disposal Group". During the year ended March 31, 2019, the Company had recorded a reduction in the fair value by $39 million in respect of its subsidiary Panaya. Further, in accordance with Ind AS 105 -" Non current Assets held for Sale and Discontinued Operations", the Company concluded that the Disposal Group did not meet the criteria for "Held for Sale" classification and accordingly, on such reclassification, the Company recorded an adjustment in respect of excess of carrying amount over recoverable amount of $65 million in respect of Skava in the consolidated statement of Profit and Loss during the year ended March 31, 2019.

2) During the year ended March 31, 2019, on account of the conclusion of an Advance Pricing Agreement ("APA") in an overseas jurisdiction, the Company has reversed income tax expense provision of $14 million which pertains to previous period.

3) Other income includes interest on income tax refund of $2 million and Nil for the quarter ended March 31, 2020 and March 31, 2019 respectively, $37 million and $7 million for the year ended March 31, 2020 and March 31, 2019 respectively and $34 million for the quarter ended December 31, 2019.

Certain statements in this release concerning our future growth prospects, financial expectations and plans for navigating the COVID-19 impact on our employees, clients and stakeholders are forward-looking statements intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding COVID-19 and the effects of government and other measures seeking to contain its spread, risks related to an economic downturn or recession in India, the United States and other countries around the world, changes in political, business, and economic conditions, fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry and the outcome of pending litigation and government investigation. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2019. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the Securities and Exchange Commission and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.

IFRS – USD

Press Release

37.8% growth in digital portfolio leads to strong 9.8% growth in FY 20

Bengaluru, India – April 20, 2020

"I am proud of the Infosys team that has worked exceptionally well to achieve 93% remote working today and ensuring consistent service delivery for our clients in this rapidly changing environment. Our focus on the health of our employees and our commitment to our clients helped us navigate the past few weeks," said **Salil Parekh, CEO and MD**. "We had an exceptional year in financial year 2020 with growth of 9.8% and operating margin of 21.3%. While the immediate short-term will be challenging, looking ahead, we can see that there is a strong interest to consolidate with partners with high-quality and agile service delivery and strong financial resilience. I am confident we will emerge from this stronger."

31.7% YoY **37.8% FY** Digital CC growth	**6.4% YoY** **9.8% FY** CC growth	**21.1% Q4** **21.3% FY** Operating margin	**-0.8% CC** **-1.4% Reported** QoQ growth	**$1.65bn Q4** **$9.0bn FY** Large deal signings

- FY20 revenues grew by 8.3% in USD, 9.8% in constant currency
- FY 20 operating margin at 21.3%
- FY 20 Free Cash Flow at $2.15 billion; Free Cash Flow to net profit conversion at 92%
- Q4 20 revenues grew year-on-year by 4.5% in USD; 6.4% in constant currency
- Q4 20 revenues declined sequentially by 1.4% in USD; 0.8% in constant currency
- Q4 20 Digital revenues at $1,341 million (41.9% of total revenues), year-on-year growth of 31.7% and sequential growth of 2.6% in constant currency
- Announces final dividend of ₹9.50 per share
- Considering the business uncertainty emanating from COVID-19, the company is unable to provide guidance on revenues and margins for FY 21 at this stage. The company will provide guidance after visibility improves

1. Financial Highlights – Consolidated results under International Financial Reporting Standards (IFRS)

For the quarter ended March 31, 2020

Revenues were $3,197 million, growth of 4.5% YoY and decline of 1.4% QoQ

Operating profit was $674 million, increase of 2.6% YoY and decline of 5.2% QoQ. Operating margin was 21.1%.

Basic EPS was $0.14, growth of 4.2% YoY and decline of 5.7% QoQ

For the Year ended March 31, 2020

Revenues were $12,780 million, growth of 8.3% YoY

Operating profit was $2,724 million, growth of 1.0% YoY. Operating margin was 21.3%.

Basic EPS was $0.55, growth of 8.3% YoY

"We completed a satisfying year on multiple counts – growth in all verticals and geographies, significant increase in large deal wins, good client mining and operational discipline", said **Pravin Rao, COO**. "The impact caused by COVID-19 since last few weeks of March has led to significant displacement in the operating model while severely testing business continuity plans of companies. We demonstrated what a 'Live Enterprise' truly is by improving the infrastructure and technology enablement for our employees in a short time span and ensuring business continuity for clients."

"We continue to remain focused on execution excellence in a period of high uncertainty. Our relentless focus on liquidity will be supported by our strong Balance Sheet of $3.6 billion cash, backed by accelerated cost take-outs and operational rigor", **said Nilanjan Roy, CFO.** "The final dividend of ₹9.50 per share is a testimony of a strong free cash flow performance for FY 20."

2. COVID-19 update

As the world comes together to manage the impact of the crisis caused by COVID-19, Infosys is making every effort to tackle the turbulence. The company is prioritizing employee well-being, assuring services for business continuity and strategizing offerings to improve business resilience for its clients, while also supporting community initiatives. Over 93% of our workforce is enabled to work from home, in countries still under lockdown, and from the company's offices, wherever possible – are all in sync with the company's priorities and working tirelessly to help make sure clients are running their businesses and preparing for a future of resilience. (Please refer to the separate press release on our COVID-19 response released today)

3. Update on whistleblower matters

The Audit Committee appointed an external legal counsel to conduct an independent investigation into the whistleblower allegations which have been previously disclosed to stock exchanges on October 22, 2019 and to the Securities Exchange Commission (SEC) on Form 6-K on the same date. As previously disclosed on January 10, 2020 the outcome of the investigation has not resulted in restatement of previously issued financial statements.

The Company cooperated with an investigation by the SEC regarding the same matters. In March 2020, the Company received notification from the SEC that the SEC has concluded its investigation and the Company does not anticipate any further action by the SEC on this matter. The Company is responding to all the inquires received from the Indian regulatory authorities and will continue to cooperate with the authorities for any additional requests for information. Additionally, in October 2019, a shareholder class action lawsuit was filed in the United States District Court for the Eastern District of New York against the Company and certain of its current and former officers for alleged violations of the US federal Securities Laws. The Company is presently unable to predict the scope, duration or the outcome of these matters.

4. Board changes

DN Prahlad, Independent Director, has resigned from the company to devote more time for his other business commitments with effect from April 20, 2020. The Board placed on record its appreciation for the services rendered by him during his tenure.

The Company announced the appointment of Uri Levine as an Independent Director of the Company, effective April 20, 2020, based on the recommendations of the Nomination and Remuneration Committee of the Board. The appointment is for a period of three years and is subject to the approval of shareholders.

Uri Levine is a passionate serial entrepreneur and disruptor. He co-founded Waze, the world's largest community-based driving traffic and navigation app, with more than 500 million drivers around the globe, which was acquired by Google on June 2013 for more than $1.1 billion. Uri has been in the high-tech business for the last 30 years with half of them in the start-up scene.

5. Client wins & Testimonials

- "Thank you. For employing great people at Infosys. For above and beyond service. And, for a long and prosperous relationship. Not all of our partners were able to get their teams fully up and running. With great pride, I was able to tell the leadership team that Infosys is fully operational for us. Thank you! May Infosys and India weather this storm well and emerge stronger", **Head of US Operations at a global financial services firm**.

- "Your team has supported a historic shift of office-based employees to work-from-home-status in record time here in the US. The planning, execution and subsequent experience of our staff in the new work modality has been outstanding. The CEO and our board have recognized the incredible efforts that have taken place from the IT teams", **CIO of a leading healthcare company**.

- **Reckitt Benckiser (RB)**, a FTSE 100 company, has renewed its partnership with Infosys to reimagine its infrastructure and application operations. As part of this engagement, Infosys will bring in advanced AI and Automation to build a Cognitive First IT Enterprise at Reckitt Benckiser, offering a seamless digital experience for its enterprise users.

- **E.ON** has awarded Infosys a multi-year engagement to run and transform its future workplace services. Infosys would transition the workplace services for the E.ON group from the existing incumbent and then continue to transform and operate it till 2025. This expands the strategic partnership between E.ON and Infosys and builds upon the existing contract which Infosys has with E.ON's subsidiary *innogy*. Infosys would leverage its Digital Innovation Center in Düsseldorf, Germany, to deliver services for this engagement.

- Infosys has been selected by **Siemens** to deploy Wingspan, Infosys' Digital Learning and Talent Transformation Platform. The company-wide deployment of next generation, talent transformation platform will enhance learning experience for 385,000 Siemens employees.

- Infosys entered a long-term strategic partnership with **GE Appliance**, a Haier company, to effectively streamline IT operations. As a part of this alliance, Infosys will assist GE Appliances to accelerate their digital and workplace transformation through automation-driven managed IT services support across global command centres, service desks, end-user computing, IT infrastructure, and applications.

- A **large CPG company** selected Infosys to accelerate the transformation of the company's digital technology capabilities and optimize costs. In addition to being the strategic transformation partner Infosys will also provide end-to-end support for enabling integrated operations across Applications, Infrastructure and Cybersecurity.

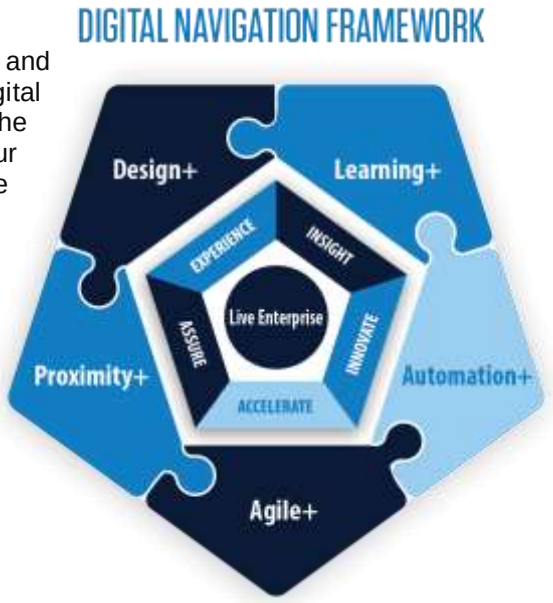
6. Recognitions

- Infosys was positioned as a leader in IDC MarketScape: North American Distributed Energy Resource Management Systems Strategic Consultants and Systems Integrators 2020 Vendor Assessment
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- Infosys BPM has been recognized with the elite international award- Brandon Hall Human Capital Excellence Awards, 2019 under three diverse categories.
- Infosys BPM has won the Best Practices in CSR Awards 2020 for the Skill Development Initiative of IBPM at 6th International Conference of Corporate Social Responsibility by Institute of Public Enterprise, Hyderabad.

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Visit www.infosys.com to see how Infosys (NYSE: INFY) can help your enterprise navigate your next.



Safe Harbor

Certain statements in this release concerning our future growth prospects, financial expectations and plans for navigating the COVID-19 impact on our employees, clients and stakeholders are forward-looking statements intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding COVID-19 and the effects of government and other measures seeking to contain its spread, risks related to an economic downturn or recession in India, the United States and other countries around the world, changes in political, business, and economic conditions, fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry and the outcome of pending litigation and government investigation. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2019. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the Securities and Exchange Commission and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.

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Infosys Limited and subsidiaries

Audited Condensed Consolidated Balance Sheet as at:

(Dollars in millions except equity share data)

	March 31, 2020	March 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	2,465	2,829
Current investments	615	958
Trade receivables	2,443	2,144
Unbilled revenue	941	777
Prepayments and other current assets	739	827
Income tax assets	1	61
Derivative financial instruments	8	48
Total current assets	**7,212**	**7,644**
Non-current assets		
Property, plant and equipment	1,810	1,931
Right-of-use assets[B3]	551	-
Goodwill	699	512
Intangible assets	251	100
Non-current investments	547	670
Deferred income tax assets	231	199
Income tax assets	711	914
Other non-current assets	248	282
Total non-current assets	**5,048**	**4,608**
Total assets	**12,260**	**12,252**
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	377	239
Lease liabilities[B3]	82	-
Derivative financial instruments	65	2
Current income tax liabilities	197	227
Client deposits	2	4
Unearned revenue	395	406
Employee benefit obligations	242	234
Provisions	76	83
Other current liabilities	1,321	1,498
Total current liabilities	**2,757**	**2,693**
Non-current liabilities		
Lease liabilities[B3]	530	-
Deferred income tax liabilities	128	98
Employee benefit obligations	5	6
Other non-current liabilities	139	55
Total liabilities	**3,559**	**2,852**
Equity		
Share capital- ₹5 ($0.16) par value 4,800,000,000 (4,800,000,000) equity shares authorized, issued and outstanding 4,240,753,210 (4,335,954,462) equity shares fully paid up, net of 18,239,356 (20,324,982) treasury shares as at March 31, 2020 (March 31, 2019)	332	339
Share premium	305	277
Retained earnings	11,014	11,248
Cash flow hedge reserve	(2)	3
Other reserves	594	384
Capital redemption reserve	17	10
Other components of equity	(3,614)	(2,870)
Total equity attributable to equity holders of the company	**8,646**	**9,391**
Non-controlling interests	55	9
Total equity	**8,701**	**9,400**
Total liabilities and equity	**12,260**	**12,252**

Infosys Limited and subsidiaries
Consolidated Statement of Comprehensive Income for the:

(Dollars in millions except equity share and per equity share data)

	Unaudited		Audited	
	3 months ended March 31, 2020	**3 months ended March 31, 2019**	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Revenues	**3,197**	**3,060**	**12,780**	**11,799**
Cost of sales	2,133	2,028	8,552	7,687
Gross profit	**1,064**	**1,032**	**4,228**	**4,112**
Operating expenses				
Selling and marketing expenses	161	174	664	638
Administrative expenses	229	200	840	778
Total operating expenses	390	374	1,504	1,416
Operating profit	**674**	**658**	**2,724**	**2,696**
Other income, net (A3) (B2)	84	94	395	411
Finance cost(B3)	(6)	-	(24)	-
Reduction in the fair value of Disposal Group held for sale(A1)	-	-	-	(39)
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" (A2)	-	-	-	(65)
Profit before income taxes	**752**	**752**	**3,095**	**3,003**
Income tax expense (A4)	160	171	757	803
Net profit	**592**	**581**	**2,338**	**2,200**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Re-measurements of the net defined benefit liability/asset, net (B4)	(2)	-	(24)	(3)
Equity instrument through other comprehensive income, net	-	-	(5)	10
	(2)	-	(29)	7
Items that will be reclassified subsequently to profit or loss:				
Fair valuation of investments, net	2	3	3	-
Fair value changes on derivatives designated as cash flow hedge, net	-	(2)	(5)	3
Foreign currency translation	(473)	74	(720)	(560)
	(471)	75	(722)	(557)
Total other comprehensive income/(loss), net of tax	**(473)**	**75**	**(751)**	**(550)**
Total comprehensive income	**119**	**656**	**1,587**	**1,650**
Profit attributable to:				
Owners of the Company	590	580	2,331	2,199
Non-controlling interests	2	1	7	1
	592	**581**	**2,338**	**2,200**
Total comprehensive income attributable to:				
Owners of the Company	117	655	1,582	1,649
Non-controlling interests	2	1	5	1
	119	**656**	**1,587**	**1,650**
Earnings per equity share				
Basic ($)	0.14	0.13	0.55	0.51
Diluted ($)	0.14	0.13	0.55	0.51
Weighted average equity shares used in computing earnings per equity share				
Basic	4,240,181,854	4,347,129,592	4,257,754,522	4,347,130,157
Diluted	4,245,981,386	4,353,023,863	4,265,144,228	4,353,420,772

NOTES:

A. Notes pertaining to previous year

1. *During the year ended March 31, 2019, the Company had recorded a reduction in the fair value amounting to $39 million in respect of its subsidiary Panaya.*

2. *The Company had recorded an adjustment in respect of excess of carrying amount over recoverable amount of $65 million in respect of its subsidiary Skava during the year ended March 31, 2019.*

3. *Other income includes interest on income tax refunds amounting to $7 million for the year ended March 31, 2019.*

4. *During the year ended March 31, 2019, on account of conclusion of an Advanced Pricing Agreement (APA) in an overseas jurisdiction, the Company had reversed income tax expense provision of $14 million, which pertains to previous periods.*

B. Notes pertaining to the current quarter / year

1. *The audited condensed consolidated Balance sheet and Statement of Comprehensive Income for the year ended March 31, 2020 have been taken on record at the Board meeting held on April 20, 2020.*

2. *Other income includes interest on income tax refunds amounting to $2 million for the three months ended March 31, 2020 and $37 million for the year ended March 31, 2020.*

3. *On account of adoption of IFRS 16- Leases effective April 1, 2019.*

4. *Includes unrealized losses on certain investments carried in the PF trust for the quarter and year ended March 31, 2020.*

C. ***A Fact Sheet providing the operating metrics of the Company can be downloaded from www.infosys.com***

IFRS – INR

Press Release

37.8% growth in digital portfolio leads to strong 9.8% growth in FY 20

Bengaluru, India – April 20, 2020

"I am proud of the Infosys team that has worked exceptionally well to achieve 93% remote working today and ensuring consistent service delivery for our clients in this rapidly changing environment. Our focus on the health of our employees and our commitment to our clients helped us navigate the past few weeks," said **Salil Parekh, CEO and MD**. "We had an exceptional year in financial year 2020 with growth of 9.8% and operating margin of 21.3%. While the immediate short-term will be challenging, looking ahead, we can see that there is a strong interest to consolidate with partners with high-quality and agile service delivery and strong financial resilience. I am confident we will emerge from this stronger."

31.7% YoY **37.8% FY** Digital CC growth	**6.4% YoY** **9.8% FY** CC growth	**21.2% Q4** **21.3% FY** Operating margin	**-0.8% CC** **0.8% Reported** QoQ growth	**$1.65bn Q4** **$9.0bn FY** Large deal signings

- FY 20 revenues grew by 9.8% in INR; 9.8% in constant currency
- FY 20 operating margin at 21.3%
- FY 20 Free Cash Flow at ₹15,250 crore; Free Cash Flow to net profit conversion at 92%
- Q4 20 revenues grew year-on-year by 8.0% in INR; 6.4% in constant currency
- Q4 20 revenues grew sequentially by 0.8% in INR; declined 0.8% in constant currency
- Q4 20 Digital revenues at $1,341 million (41.9% of total revenues), year-on-year growth of 31.7% and sequential growth of 2.6% in constant currency
- Announces final dividend of ₹9.50 per share
- Considering the business uncertainty emanating from COVID-19, the company is unable to provide guidance on revenues and margins for FY 21 at this stage. The company will provide guidance after visibility improves

1. Financial Highlights- Consolidated results under International Financial Reporting Standards (IFRS)

For the quarter ended March 31, 2020

Revenues were ₹23,267 crore, growth of 8.0% YoY and 0.8% QoQ

Operating profit was ₹4,927 crore, increase of 6.7% YoY and decrease of 2.7% QoQ. Operating margin was 21.2%.

Basic EPS was ₹10.19, increase of 8.7% YoY and decrease of 3.1% QoQ

For the Year ended March 31, 2020

Revenues were ₹90,791 crore, growth of 9.8% YoY

Operating profit was ₹19,374 crore, growth of 2.6% YoY. Operating margin was 21.3%.

Basic EPS was ₹38.97, growth of 10.0% YoY

"We completed a satisfying year on multiple counts – growth in all verticals and geographies, significant increase in large deal wins, good client mining and operational discipline", said **Pravin Rao, COO**. "The impact caused by COVID-19 since last few weeks of March has led to significant displacement in the operating model while severely testing business continuity plans of companies. We demonstrated what a 'Live Enterprise' truly is by improving the infrastructure and technology enablement for our employees in a short time span and ensuring business continuity for clients."

"We continue to remain focused on execution excellence in a period of high uncertainty. Our relentless focus on liquidity will be supported by our strong Balance Sheet of $3.6 billion cash, backed by accelerated cost take-outs and operational rigor", **said Nilanjan Roy, CFO.** "The final dividend of ₹9.50 per share is a testimony of a strong free cash flow performance for FY 20."

2. COVID-19 update

As the world comes together to manage the impact of the crisis caused by COVID-19, Infosys is making every effort to tackle the turbulence. The company is prioritizing employee well-being, assuring services for business continuity and strategizing offerings to improve business resilience for its clients, while also supporting community initiatives. Over 93% of our workforce is enabled to work from home, in countries still under lockdown, and from the company's offices, wherever possible – are all in sync with the company's priorities and working tirelessly to help make sure clients are running their businesses and preparing for a future of resilience. (Please refer to the separate press release on our COVID-19 response released today)

3. Update on whistleblower matters

The Audit Committee appointed an external legal counsel to conduct an independent investigation into the whistleblower allegations which have been previously disclosed to stock exchanges on October 22, 2019 and to the Securities Exchange Commission (SEC) on Form 6-K on the same date. As previously disclosed on January 10, 2020 the outcome of the investigation has not resulted in restatement of previously issued financial statements.

The Company cooperated with an investigation by the SEC regarding the same matters. In March 2020, the Company received notification from the SEC that the SEC has concluded its investigation and the Company does not anticipate any further action by the SEC on this matter. The Company is responding to all the inquires received from the Indian regulatory authorities and will continue to cooperate with the authorities for any additional requests for information. Additionally, in October 2019, a shareholder class action lawsuit was filed in the United States District Court for the Eastern District of New York against the Company and certain of its current and former officers for alleged violations of the US federal Securities Laws. The Company is presently unable to predict the scope, duration or the outcome of these matters.

4. Board changes

DN Prahlad, Independent Director, has resigned from the company to devote more time for his other business commitments with effect from April 20, 2020. The Board placed on record its appreciation for the services rendered by him during his tenure.

The Company announced the appointment of Uri Levine as an Independent Director of the Company, effective April 20, 2020, based on the recommendations of the Nomination and Remuneration Committee of the Board. The appointment is for a period of three years and is subject to the approval of shareholders.

Uri Levine is a passionate serial entrepreneur and disruptor. He co-founded Waze, the world's largest community-based driving traffic and navigation app, with more than 500 million drivers around the globe, which was acquired by Google on June 2013 for more than $1.1 billion. Uri has been in the high-tech business for the last 30 years with half of them in the start-up scene.

5. Client wins & Testimonials

- "Thank you. For employing great people at Infosys. For above and beyond service. And, for a long and prosperous relationship. Not all of our partners were able to get their teams fully up and running. With great pride, I was able to tell the leadership team that Infosys is fully operational for us. Thank you! May Infosys and India weather this storm well and emerge stronger", **Head of US Operations at a global financial services firm**.

- "Your team has supported a historic shift of office-based employees to work-from-home-status in record time here in the US. The planning, execution and subsequent experience of our staff in the new work modality has been outstanding. The CEO and our board have recognized the incredible efforts that have taken place from the IT teams", **CIO of a leading healthcare company**.

- **Reckitt Benckiser (RB)**, a FTSE 100 company, has renewed its partnership with Infosys to reimagine its infrastructure and application operations. As part of this engagement, Infosys will bring in advanced AI and Automation to build a Cognitive First IT Enterprise at Reckitt Benckiser, offering a seamless digital experience for its enterprise users.

- **E.ON** has awarded Infosys a multi-year engagement to run and transform its future workplace services. Infosys would transition the workplace services for the E.ON group from the existing incumbent and then continue to transform and operate it till 2025. This expands the strategic partnership between E.ON and Infosys and builds upon the existing contract which Infosys has with E.ON's subsidiary *innogy*. Infosys would leverage its Digital Innovation Center in Düsseldorf, Germany, to deliver services for this engagement.

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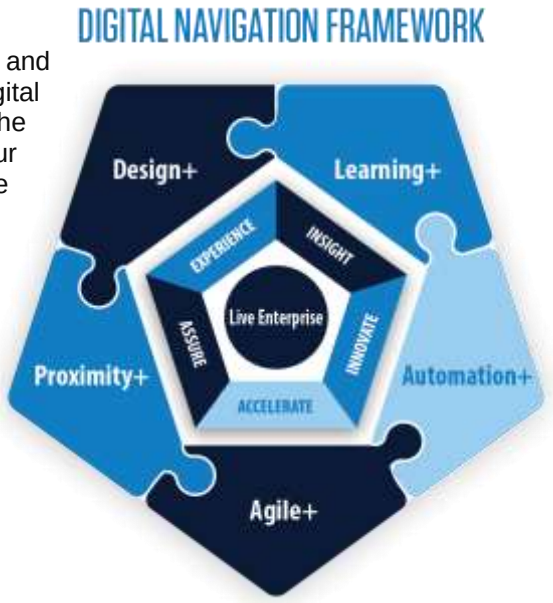
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Infosys Limited and subsidiaries

Audited Consolidated Balance Sheet as at:

(In ₹ crore except equity share data)

	March 31, 2020	March 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	18,649	19,568
Current investments	4,655	6,627
Trade receivables	18,487	14,827
Unbilled revenue	7,121	5,374
Prepayments and other current assets	5,595	5,723
Income tax assets	7	423
Derivative financial instruments	62	336
Total current assets	**54,576**	**52,878**
Non-current assets		
Property, plant and equipment	13,699	13,356
Right-of-use assets[B3]	4,168	-
Goodwill	5,286	3,540
Intangible assets	1,900	691
Non-current investments	4,137	4,634
Deferred income tax assets	1,744	1,372
Income tax assets	5,384	6,320
Other non-current assets	1,874	1,947
Total non-current assets	**38,192**	**31,860**
Total assets	**92,768**	**84,738**
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	2,852	1,655
Lease liabilities[B3]	619	-
Derivative financial instruments	491	15
Current income tax liabilities	1,490	1,567
Client deposits	18	26
Unearned revenue	2,990	2,809
Employee benefit obligations	1,832	1,619
Provisions	572	576
Other current liabilities	9,992	10,371
Total current liabilities	**20,856**	**18,638**
Non-current liabilities		
Lease liabilities[B3]	4,014	-
Deferred income tax liabilities	968	672
Employee benefit obligations	38	44
Other non-current liabilities	1,048	378
Total liabilities	**26,924**	**19,732**
Equity		
Share capital- ₹5 par value 480,00,00,000 (480,00,00,000) equity shares authorized, issued and outstanding 424,07,53,210 (433,59,54,462) equity shares fully paid up, net of 1,82,39,356 (2,03,24,982) treasury shares as at March 31, 2020 (March 31, 2019)	2,122	2,170
Share premium	600	396
Retained earnings	57,506	58,848
Cash flow hedge reserve	(15)	21
Other reserves	4,070	2,570
Capital redemption reserve	111	61
Other components of equity	1,056	882
Total equity attributable to equity holders of the company	**65,450**	**64,948**
Non-controlling interests	394	58
Total equity	**65,844**	**65,006**
Total liabilities and equity	**92,768**	**84,738**

Infosys Limited and subsidiaries

Audited Consolidated Statement of Comprehensive Income for the:

(In ₹ crore except equity share and per equity share data)

	3 months ended March 31, 2020	3 months ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Revenues	**23,267**	**21,539**	**90,791**	**82,675**
Cost of sales	15,501	14,283	60,732	53,867
Gross profit	**7,766**	**7,256**	**30,059**	**28,808**
Operating expenses				
Selling and marketing expenses	1,172	1,226	4,711	4,473
Administrative expenses	1,667	1,412	5,974	5,455
Total operating expenses	2,839	2,638	10,685	9,928
Operating profit	**4,927**	**4,618**	**19,374**	**18,880**
Other income, net[A3] [B2]	614	665	2,803	2,882
Finance cost[B3]	(45)	-	(170)	-
Reduction in the fair value of Disposal Group held for sale[A1]	-	-	-	(270)
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" [A2]	-	-	-	(451)
Profit before income taxes	**5,496**	**5,283**	**22,007**	**21,041**
Income tax expense [A4]	1,161	1,205	5,368	5,631
Net profit	**4,335**	**4,078**	**16,639**	**15,410**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Re-measurements of the net defined benefit liability/asset, net [B4]	(21)	(3)	(180)	(22)
Equity instruments through other comprehensive income, net	(2)	1	(33)	70
	(23)	(2)	(213)	48
Items that will be reclassified subsequently to profit or loss:				
Fair value changes on derivatives designated as cash flow hedge, net	-	(15)	(36)	21
Exchange differences on translation of foreign operations	237	(70)	378	63
Fair valuation of investments, net	15	25	22	2
	252	(60)	364	86
Total other comprehensive income/(loss), net of tax	**229**	**(62)**	**151**	**134**
Total comprehensive income	**4,564**	**4,016**	**16,790**	**15,544**
Profit attributable to:				
Owners of the Company	4,321	4,074	16,594	15,404
Non-controlling interests	14	4	45	6
	4,335	**4,078**	**16,639**	**15,410**
Total comprehensive income attributable to:				
Owners of the Company	4,545	4,012	16,732	15,538
Non-controlling interests	19	4	58	6
	4,564	**4,016**	**16,790**	**15,544**
Earnings per equity share				
Basic (₹)	10.19	9.37	38.97	35.44
Diluted (₹)	10.18	9.36	38.91	35.38
Weighted average equity shares used in computing earnings per equity share				
Basic	424,01,81,854	434,71,29,592	425,77,54,522	434,71,30,157
Diluted	424,59,81,386	435,30,23,863	426,51,44,228	435,34,20,772

NOTES:

A. Notes pertaining to previous year

1. *During the year ended March 31, 2019, the Company had recorded a reduction in the fair value amounting to ₹270 crore in respect of its subsidiary Panaya.*

2. *The Company had recorded an adjustment in respect of excess of carrying amount over recoverable amount of ₹451 crore in respect of its subsidiary Skava during the year ended March 31, 2019.*

3. *Other income includes interest on income tax refunds amounting to ₹51 crore for the year ended March 31, 2019.*

4. *During the year ended March 31, 2019, on account of conclusion of an Advanced Pricing Agreement (APA) in an overseas jurisdiction, the Company had reversed income tax expense provision of ₹94 crore, which pertains to previous periods.*

B. Notes pertaining to the current quarter / year

1. *The audited interim consolidated Balance sheet and Statement of Comprehensive Income for the three months and year ended March 31, 2020 have been taken on record at the Board meeting held on April 20, 2020.*

2. *Other income includes interest on income tax refunds amounting to ₹8 crore for the three months ended March 31, 2020 and ₹259 crore for the year ended March 31, 2020.*

3. *On account of adoption of IFRS 16- Leases effective April 1, 2019.*

4. *Includes unrealized losses on certain investments carried in the PF trust for the quarter and year ended March 31, 2020.*

C. ***A Fact Sheet providing the operating metrics of the Company can be downloaded from www.infosys.com***

Deloitte
Haskins & Sells LLP

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

Report on the Audit of the Condensed Consolidated Financial Statements

Opinion

We have audited the accompanying condensed consolidated financial statements of **INFOSYS LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), which comprise the Condensed Consolidated Balance Sheet as at March 31, 2020, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Changes in Equity and the Condensed Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "condensed consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed consolidated financial statements give a true and fair view in conformity with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as issued by the International Accounting Standards Board ("IASB"), of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the condensed consolidated financial statements in accordance with the Standards on Auditing ("SA"s) issued by the Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the condensed Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the condensed consolidated financial statements.

Emphasis of Matter

As more fully described in Note 2.6 to the condensed consolidated financial statements, the Company is subject to inquiries from Indian regulatory authorities. The scope, duration or outcome of these matters are uncertain.

Our opinion is not modified in respect of this matter.

Management's Responsibility for the Condensed Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these condensed consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with IAS 34 as issued by the IASB. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding assets of the Group and for preventing and detecting frauds and other irregularities; selection and

application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 condensed consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the condensed consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Condensed Consolidated Financial Statements

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

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 condensed consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the condensed consolidated financial statements, including the disclosures, and whether the condensed consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the condensed consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the condensed consolidated financial statements of which we are independent auditors.

Materiality is the magnitude of misstatements in the condensed consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the condensed consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the condensed consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the condensed consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
UDIN:

Place: Mumbai
Date: April 20, 2020

INFOSYS LIMITED AND SUBSIDIARIES

Condensed Consolidated Financial Statements under International Financial Reporting Standards (IFRS) in US Dollars for the year ended March 31, 2020

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Infosys Limited and Subsidiaries

(Dollars in millions except equity share data)

Condensed Consolidated Balance Sheet as at	Note	March 31, 2020	March 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents	2.1	2,465	2,829
Current investments	2.2	615	958
Trade receivables		2,443	2,144
Unbilled revenue	2.17	941	777
Prepayments and other current assets	2.4	739	827
Income tax assets	2.12	1	61
Derivative financial instruments	2.3	8	48
Total current assets		**7,212**	**7,644**
Non-current assets			
Property, plant and equipment	2.7	1,810	1,931
Right-of-use assets	2.8	551	-
Goodwill	2.9	699	512
Intangible assets		251	100
Non-current investments	2.2	547	670
Deferred income tax assets	2.12	231	199
Income tax assets	2.12	711	914
Other non-current assets	2.4	248	282
Total Non-current assets		**5,048**	**4,608**
Total assets		**12,260**	**12,252**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		377	239
Lease liabilities	2.8	82	-
Derivative financial instruments	2.3	65	2
Current income tax liabilities	2.12	197	227
Client deposits		2	4
Unearned revenue		395	406
Employee benefit obligations		242	234
Provisions	2.6	76	83
Other current liabilities	2.5	1,321	1,498
Total current liabilities		**2,757**	**2,693**
Non-current liabilities			
Lease liabilities	2.8	530	-
Deferred income tax liabilities	2.12	128	98
Employee benefit obligations		5	6
Other non-current liabilities	2.5	139	55
Total liabilities		**3,559**	**2,852**
Equity			
Share capital - ₹5 ($0.16) par value 4,800,000,000 (4,800,000,000) equity shares authorized, issued and outstanding 4,240,753,210 (4,335,954,462) equity shares fully paid up, net of 18,239,356 (20,324,982) treasury shares as at March 31, 2020 and (March 31, 2019).	2.19	332	339
Share premium		305	277
Retained earnings		11,014	11,248
Cash flow hedge reserve		(2)	3
Other reserves		594	384
Capital redemption reserve		17	10
Other components of equity		(3,614)	(2,870)
Total equity attributable to equity holders of the company		**8,646**	**9,391**
Non-controlling interests		55	9
Total equity		**8,701**	**9,400**
Total liabilities and equity		**12,260**	**12,252**

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar	Nandan M. Nilekani	Salil Parekh	U. B. Pravin Rao
Partner	*Chairman*	*Chief Executive Officer*	*Chief Operating Officer*
Membership No. 39826		*and Managing Director*	*and Whole-time Director*
Bengaluru	D. Sundaram	Nilanjan Roy	A. G. S. Manikantha
April 20, 2020	*Director*	*Chief Financial Officer*	*Company Secretary*

Infosys Limited and Subsidiaries

(Dollars in millions except equity share and per equity share data)

Condensed Consolidated Statements of Comprehensive Income	Note	Year ended March 31,	
		2020	**2019**
Revenues	2.16	**12,780**	**11,799**
Cost of sales	2.18.6	8,552	7,687
Gross profit		**4,228**	**4,112**
Operating expenses:			
Selling and marketing expenses	2.18.6	664	638
Administrative expenses	2.18.6	840	778
Total operating expenses		1,504	1,416
Operating profit		**2,724**	**2,696**
Other income, net	2.18.6	395	411
Finance cost	2.8	(24)	-
Reduction in the fair value of Disposal Group held for sale	2.10.1	-	(39)
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.10.1	-	(65)
Profit before income taxes		**3,095**	**3,003**
Income tax expense	2.12	757	803
Net profit		**2,338**	**2,200**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurements of the net defined benefit liability/asset, net		(24)	(3)
Equity instrument through other comprehensive income, net		(5)	10
		(29)	7
Items that will be reclassified subsequently to profit or loss:			
Fair valuation of investments, net		3	-
Fair value changes on derivatives designated as cash flow hedge, net		(5)	3
Foreign currency translation		(720)	(560)
		(722)	(557)
Total other comprehensive income/(loss), net of tax		**(751)**	**(550)**
Total comprehensive income		**1,587**	**1,650**
Profit attributable to:			
Owners of the company		2,331	2,199
Non-controlling interests		7	1
		2,338	**2,200**
Total comprehensive income attributable to:			
Owners of the company		1,582	1,649
Non-controlling interests		5	1
		1,587	**1,650**
Earnings per equity share			
Basic ($)		0.55	0.51
Diluted ($)		0.55	0.51
Weighted average equity shares used in computing earnings per equity share	2.13		
Basic		4,257,754,522	4,347,130,157
Diluted		4,265,144,228	4,353,420,772

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

U. B. Pravin Rao
Chief Operating Officer and Whole-time Director

Bengaluru
April 20, 2020

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

Infosys Limited and Subsidiaries

Condensed Consolidated Statements of Changes in Equity

(Dollars in millions except equity share data)

Particulars	Shares[1]	Share capital	Share premium	Retained earnings	Other reserves[2]	Capital redemption reserve	Cash flow hedge reserve	Other components of equity	Total equity attributable to equity holders of the company	Non-controlling interest	Total equity
Balance as at April 1, 2018	**2,173,312,301**	**190**	**247**	**11,587**	**244**	**9**	**-**	**(2,317)**	**9,960**	**-**	**9,960**
Changes in equity for the year ended March 31, 2019											
Net profit	-	-	-	2,199	-	-	-	-	2,199	1	2,200
Fair value changes on investments, net*	-	-	-	-	-	-	-	-	-	-	-
Fair value changes on derivatives designated as cash flow hedge*	-	-	-	-	-	-	3	-	3	-	3
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	-	(3)	(3)	-	(3)
Equity instruments through other comprehensive income*	-	-	-	-	-	-	-	10	10	-	10
Foreign currency translation	-	-	-	-	-	-	-	(560)	(560)	-	(560)
Total comprehensive income for the period	**-**	**-**	**-**	**2,199**	**-**	**-**	**3**	**(553)**	**1,649**	**1**	**1,650**
Shares issued on exercise of employee stock options - before Bonus issue (Refer to note 2.11)	392,528	-	-	-	-	-	-	-	-	-	-
Increase in share capital on account of Bonus issues (Refer to note 2.19)	2,173,704,829	150	-	-	-	-	-	-	150	-	150
Amounts utilized for Bonus issue (Refer to note 2.19)	-	-	-	(150)	-	-	-	-	(150)	-	(150)
Shares issued on exercise of employee stock options - after Bonus issue (Refer to note 2.11)	1,196,804	-	1	-	-	-	-	-	1	-	1
Buyback of equity shares (Refer to note 2.5 and 2.19.1)	(12,652,000)	(1)	-	(288)	-	-	-	-	(289)	-	(289)
Transaction cost relating to buyback * (Refer to note 2.19)	-	-	-	(2)	-	-	-	-	(2)	-	(2)
Amount transferred to capital redemption reserve upon buyback (Refer to note 2.19)	-	-	-	(1)	-	1	-	-	-	-	-
Non-controlling interests on acquisition of subsidiary (Refer to note 2.10)	-	-	-	-	-	-	-	-	-	8	8
Transfer to other reserves	-	-	-	(346)	346	-	-	-	-	-	-
Transfer from other reserves on utilization	-	-	-	206	(206)	-	-	-	-	-	-
Employee stock compensation expense (Refer to note 2.11)	-	-	28	-	-	-	-	-	28	-	28
Income tax benefit arising on exercise of stock options	-	-	1	-	-	-	-	-	1	-	1
Dividends (including dividend distribution tax)	-	-	-	(1,957)	-	-	-	-	(1,957)	-	(1,957)
Balance as at March 31, 2019	**4,335,954,462**	**339**	**277**	**11,248**	**384**	**10**	**3**	**(2,870)**	**9,391**	**9**	**9,400**

(Dollars in millions except equity share data)

Particulars	Shares[1]	Share capital	Share premium	Retained earnings	Other reserves [2]	Capital redemption reserve	Cash flow hedge reserve	Other components of equity	Total equity attributable to equity holders of the company	Non-controlling interest	Total equity
Balance as at April 1, 2019	**4,335,954,462**	**339**	**277**	**11,248**	**384**	**10**	**3**	**(2,870)**	**9,391**	**9**	**9,400**
Impact on account of adoption of IFRS 16 (refer to note 2.8)*	-	-	-	(6)	-	-	-	-	**(6)**	-	**(6)**
	4,335,954,462	**339**	**277**	**11,242**	**384**	**10**	**3**	**(2,870)**	**9,385**	**9**	**9,394**
Changes in equity for the year ended March 31, 2020											
Net profit	-	-	-	2,331	-	-	-	-	2,331	7	2,338
Remeasurement of the net defined benefit liability/asset* (refer to note 2.18)	-	-	-	-	-	-	-	(24)	(24)	-	(24)
Equity instruments through other comprehensive income*	-	-	-	-	-	-	-	(5)	(5)	-	(5)
Fair value changes on investments, net*	-	-	-	-	-	-	-	3	3	-	3
Fair value changes on derivatives designated as cash flow hedge*	-	-	-	-	-	-	(5)	-	(5)	-	(5)
Foreign currency translation	-	-	-	-	-	-	-	(718)	(718)	(2)	(720)
Total comprehensive income for the period	**-**	**-**	**-**	**2,331**	**-**	**-**	**(5)**	**(744)**	**1,582**	**5**	**1,587**
Shares issued on exercise of employee stock options (Refer to note 2.11)	2,666,014	-	1	-	-	-	-	-	1	-	1
Buyback of equity shares (Refer to note 2.5 and 2.19.1)	(97,867,266)	(7)	-	(895)	-	-	-	-	(902)	-	(902)
Transaction cost relating to buyback * (Refer to note 2.19)	-	-	-	(1)	-	-	-	-	(1)	-	(1)
Amount transferred to capital redemption reserve upon buyback (Refer to note 2.19)	-	-	-	(7)	-	7	-	-	-	-	-
Non-controlling interests on acquisition of subsidiary (Refer to note 2.10)	-	-	-	-	-	-	-	-	-	46	46
Transfer to other reserves	-	-	-	(361)	361		-	-	-	-	-
Transfer from other reserves on utilization	-	-	-	151	(151)	-	-	-	-	-	-
Employee stock compensation expense (Refer to note 2.11)	-	-	33	-	-	-	-	-	33	-	33
Income tax benefit arising on exercise of stock options	-	-	1	-	-	-	-	-	1	-	1
Effect of modification of equity settled share based payment awards to cash settled awards (Refer to note 2.11)	-	-	(7)	(1)	-	-	-	-	(8)	-	(8)
Financial liability under option arrangements (Refer to note 2.10)	-	-	-	(86)	-	-	-	-	(86)	-	(86)
Dividends paid to non controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(5)	(5)
Dividends (including dividend distribution tax)	-	-	-	(1,359)	-	-	-	-	(1,359)	-	(1,359)
Balance as at March 31, 2020	**4,240,753,210**	**332**	**305**	**11,014**	**594**	**17**	**(2)**	**(3,614)**	**8,646**	**55**	**8,701**

** net of tax*

(1) excludes treasury shares of 18,239,356 as at March 31, 2020, 20,324,982 as at April 1, 2019 and 10,801,956 as at April 1, 2018, held by consolidated trust. The treasury shares as at April 1, 2018 have not been adjusted for the September 2018 Bonus issue.

[2] Represents the Special Economic Zone Re-investment reserve created out of the profit of the eligible SEZ unit in terms of the provisions of Sec 10AA(1)(ii) of Income Tax Act,1961. The reserve should be utilized by the Group for acquiring new plant and machinery for the purpose of its business in terms of the provisions of the Sec 10AA(2) of the Income Tax Act, 1961.

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

Nandan M. Nilekani
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Chief Executive Officer
and Managing Director

U. B. Pravin Rao
Chief Operating Officer
and Whole-time Director

Bengaluru
April 20, 2020

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

Infosys Limited and Subsidiaries

Condensed Consolidated Statements of Cash Flows

Accounting Policy

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(Dollars in millions)

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Operating activities:			
Net Profit		2,338	2,200
Adjustments to reconcile net profit to net cash provided by operating activities :			
Depreciation and amortization	2.18.6	407	287
Interest and dividend income		(68)	(130)
Finance cost	2.8	24	-
Income tax expense	2.12	757	803
Effect of exchange rate changes on assets and liabilities		27	10
Impairment loss under expected credit loss model		23	34
Reduction in the fair value of Disposal Group held for sale		-	39
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.10.1	-	65
Stock compensation expense	2.11	34	29
Other adjustments		(20)	(15)
Changes in working capital			
Trade receivables and unbilled revenue		(542)	(411)
Prepayments and other assets		70	(120)
Trade payables		(52)	131
Client deposits		(2)	(2)
Unearned revenue		21	48
Other liabilities and provisions		233	269
Cash generated from operations		**3,250**	**3,237**
Income taxes paid		(639)	(975)
Net cash provided by operating activities		**2,611**	**2,262**
Investing activities:			
Expenditure on property, plant and equipment		(465)	(349)
Loans to employees		-	2
Deposits placed with corporation		(15)	(3)
Interest and dividend received		52	79
Payment towards acquisition of business, net of cash acquired	2.10	(252)	(77)
Payment of contingent consideration pertaining to acquisition of business		(1)	(3)
Advance payment towards acquisition of business		-	(30)
Investment in equity and preference securities		(6)	(3)
Proceeds from sale of equity and preference securities		4	16
Investment in other investments		(4)	(3)
Redemption of other investments		-	2
Investment in quoted debt securities		(363)	(145)
Redemption of quoted debt securities		512	123
Investment in certificate of deposits		(156)	(342)
Redemption of certificate of deposits		360	791
Investment in commercial papers		-	(70)
Redemption of commercial papers		72	43
Redemption of escrow pertaining to Buyback	2.4	37	(37)
Other receipts		7	-
Investment in liquid mutual fund units and fixed maturity plan securities		(4,897)	(11,184)
Redemption of liquid mutual fund units and fixed maturity plan securities		4,873	10,965
Net cash (used)/generated in investing activities		**(242)**	**(225)**
Financing activities:			
Payment of lease liabilities	2.8	(80)	-
Payment of dividends including corporate dividend tax		(1,359)	(1,956)
Payment of dividends to non-controlling interests of subsidiary		(5)	-
Share issued on exercise of employee stock options		1	1
Buy back of equity shares including transaction costs	2.19.1	(1,070)	(118)
Net cash used in financing activities		**(2,513)**	**(2,073)**
Effect of exchange rate changes on cash and cash equivalents		(220)	(184)
Net increase / (decrease) in cash and cash equivalents		(144)	(36)
Cash and cash equivalents at the beginning of the period	2.1	2,829	3,049
Cash and cash equivalents at the end of the period	2.1	**2,465**	**2,829**
Supplementary information:			
Restricted cash balance	2.1	52	52

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

U. B. Pravin Rao
Chief Operating Officer and Whole-time Director

Bengaluru
April 20, 2020

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

Notes to the condensed consolidated financial statements

1. Overview

1.1 Company overview

Infosys Limited ('the Company' or Infosys) is a leading provider of consulting, technology, outsourcing and next-generation digital services, enabling clients to execute strategies for their digital transformation. Infosys strategic objective is to build a sustainable organization that remains relevant to the agenda of clients, while creating growth opportunities for employees and generating profitable returns for investors. Infosys strategy is to be a navigator for our clients as they ideate, plan and execute on their journey to a digital future.

Infosys together with its subsidiaries and controlled trusts is herein after referred to as the "Group".

The company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India. The company has its primary listings on the BSE Ltd. and National Stock Exchange of India Limited. The company's American Depositary Shares (ADS) representing equity shares are listed on the New York Stock Exchange (NYSE).

The Group's condensed consolidated financial statements are authorized for issue by the company's Board of Directors on April 20, 2020.

1.2 Basis of preparation of financial statements

The condensed consolidated financial statements have been prepared in compliance with IAS 34, Interim Financial Reporting as issued by International Accounting Standards Board, under the historical cost convention on the accrual basis except for certain financial instruments which have been measured at fair values. Accordingly, these condensed consolidated financial statements do not include all the information required for a complete set of financial statements. The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in the company's Annual Report on Form 20-F for the year ended March 31, 2019. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As the year figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures reported in this statement.

1.3 Basis of consolidation

Infosys consolidates entities which it owns or controls. The condensed consolidated financial statements comprise the financial statements of the company, its controlled trusts and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. The financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

1.4 Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the financial statements have been disclosed in Note 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the condensed consolidated financial statements.

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

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues , goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group . The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these condensed consolidated financial statements.

1.5 Critical accounting estimates and judgements

a. Revenue recognition

The Group's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgement.

Fixed price maintenance revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed price maintenance contract is recognized ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Group's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of method to recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

The Group uses the percentage-of-completion method in accounting for other fixed-price contracts. Use of the percentage-of-completion method requires the Group to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

b. Income taxes

The company's two major tax jurisdictions are India and the U.S., though the company also files tax returns in other overseas jurisdictions.

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, 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 income over the periods in which the deferred income tax assets are deductible, management believes that the group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced (also refer to note 2.12).

c. Business combinations and intangible assets

Business combinations are accounted for using IFRS 3 (Revised), Business Combinations. IFRS 3 requires us to fair value identifiable intangible assets and contingent consideration to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Estimates are required to be made in determining the value of contingent consideration, value of option arrangements and intangible assets. These valuations are conducted by independent valuation experts. 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 (Refer to note 2.10).

d. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology (Refer to note 2.7).

e. Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGUs) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell. Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises estimated long term growth rates, weighted average cost of capital and estimated operating margins. (Refer to Note no 2.9)

f. Leases

IFRS 16 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 Group 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 Infosys'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 Group has concluded that no changes are required to lease period relating to the existing lease contracts. (Refer to Note no 2.8)

g. Non-current assets and Disposal groups held for sale

Assets and liabilities of disposal groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the disposal groups have been estimated using valuation techniques including income and market approach which includes unobservable inputs.

Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the Non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the Disposal Group no longer meets the " Held for sale" criteria. Recoverable amounts of assets reclassified from held for sale have been estimated using management's assumptions which consist of significant unobservable inputs.

h. Loss allowance for receivables and unbilled revenue

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

1.6 Recent accounting pronouncements

New and revised IFRS Standards in issue but not yet effective:

Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards
Amendments to IFRS 3	Definition of a Business
Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform

Amendments to References to the Conceptual Framework in IFRS Standards

In March 2018, International Accounting Standards Board (IASB) issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The amendments, where they actually are updates, are effective for annual periods beginning on or after 1 January 2020, with early application permitted.

The Group does not expect that the amendment to have any impact on its consolidated financial statements.

Amendments to IFRS 3 Definition of a business

On October 22, 2018, the International Accounting Standard Board has issued amendments to IFRS 3, 'Business Combinations', in connection with clarification of definition of business, to determine whether an acquisition is a business or a group of assets. The amendment added a concept called "Optional Concentration Test" that makes it easier to conclude that a company has acquired a group of assets rather than a business, if the value of the assets acquired is substantially concentrated in a single asset or group of similar assets. An entity may elect to apply or not to apply this optional concentration test on a transaction by transaction basis.

The amendment will apply to the Company effective April 1, 2020 and has to be applied prospectively. Hence there is no impact on the consolidated financial statement.

Amendments to IAS 1 and IAS 8 Definition of Material

In October 2018, the IASB issued Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to make the definition of material in IAS 1 easier to understand. The amendments are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

The amendments are required to be applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted.

The Group does not expect the amendment to have any material impact on its evaluation of materiality in relation to its financial statements.

Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform

In September 2019, IASB introduced amendments, which modified specific hedge accounting requirements, so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark is not altered as a result of the interest rate benchmark reform.

The changes will mandatorily apply to all hedging relationships that are directly affected by the interest rate benchmark reform.

The Group does not expect the amendment to have any significant impact.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2020, although early adoption is permitted.

2. Notes to the Condensed Consolidated Financial Statements

2.1 Cash and cash equivalents

Cash and cash equivalents consist of the following:

(Dollars in millions)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Cash and bank deposits	1,624	2,052
Deposits with financial institutions	841	777
Total Cash and cash equivalents	**2,465**	**2,829**

Cash and cash equivalents as at March 31, 2020 and March 31, 2019 include restricted cash and bank balances of $52 million and $52 million, respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the company and bank balances held as margin money deposits against guarantees.

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

2.2 Investments

The carrying value of investments are as follows:

(Dollars in millions)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
(i) Current		
Amortized cost		
Quoted debt securities:		
Cost	-	3
Fair value through profit and loss		
Liquid Mutual fund units		
Fair value	278	258
Fixed Maturity Plan Securities		
Fair value	65	-
Fair Value through Other comprehensive income		
Quoted debt securities		
Fair value	123	267
Commercial Paper		
Fair value	-	72
Certificate of deposits		
Fair value	149	358
Total current investments	**615**	**958**
(ii) Non-current		
Amortized cost		
Quoted debt securities		
Cost	244	274
Fair value through Other comprehensive income		
Quoted debt securities		
Fair value	281	310
Unquoted equity and preference securities		
Fair value	14	15
Fair value through profit and loss		
Unquoted Preference securities		
Fair value	1	3
Fixed maturity plan securities		
Fair Value	-	66
Others		
Fair value[(1)]	7	2
Total Non-current investments	**547**	**670**
Total investments	**1,162**	**1,628**

Investment carried at amortized cost	244	277
Investments carried at fair value through other comprehensive income	567	1,022
Investments carried at fair value through profit and loss	351	329

(1) Uncalled capital commitments outstanding as of March 31, 2020 and March 31, 2019 was $8 million and $12 million, respectively.

Refer note 2.3 for accounting policies on financial instruments.

Method of fair valuation: *(Dollars in millions)*

Class of investment	Method	Fair value	
		As at March 31, 2020	As at March 31, 2019
Liquid mutual fund units	Quoted price	278	258
Fixed maturity plan securities	Market observable inputs	65	66
Quoted debt securities- carried at amortized cost	Quoted price and market observable inputs	284	307
Quoted debt securities- carried at Fair value through other comprehensive income	Quoted price and market observable inputs	404	577
Commercial Paper	Market observable inputs	-	72
Certificate of deposits	Market observable inputs	149	358
Unquoted equity and preference securities at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model, etc.	14	15
Unquoted equity and preference securities - carried at fair value through profit or loss	Discounted cash flows method, Market multiples method, Option pricing model, etc.	1	3
Others	Discounted cash flows method, Market multiples method, Option pricing model, etc.	7	2
		1,202	**1,658**

Certain quoted investments are classified as Level 2 in the absence of active market for such investments.

2.3 Financial instruments

Accounting Policy

2.3.1 Initial recognition

The group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

2.3.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order 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.

(ii) Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it 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. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(iii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration and financial liability under option arrangements recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b. Derivative financial instruments

The group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(i) Financial assets or financial liabilities, at fair value through profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under IFRS 9, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per IFRS 9, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of comprehensive income when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

(ii) Cash flow hedge

The group designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of comprehensive income. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of comprehensive income upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of comprehensive income.

2.3.3 Derecognition of financial instruments

The group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IFRS 9. A financial liability (or a part of a financial liability) is derecognized from the group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.3.4 Fair value of financial instruments

In determining the fair value of its financial instruments, the group 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, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Refer to table ‘Financial instruments by category’ below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of those instruments.

2.3.5 Impairment

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets and unbilled revenue which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenues 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 recognized is recognized as an impairment gain or loss in statement of comprehensive income.

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2020 were as follows:

(Dollars in millions)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value	
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Assets:								
Cash and cash equivalents (Refer to Note 2.1)	2,465	-	-	-	-	2,465	2,465	
Investments (Refer to Note 2.2)								
Liquid mutual funds	-	-	278	-	-	278	278	
Fixed maturity plan securities	-	-	65	-	-	65	65	
Quoted debt securities	244	-	-	-	404	648	688	(1)
Certificate of deposits	-	-	-	-	149	149	149	
Unquoted equity and preference securities:	-	-	1	14	-	15	15	
Unquoted investment others	-	-	7	-	-	7	7	
Trade receivables	2,443	-	-	-	-	2,443	2,443	
Unbilled revenues [3] (Refer to Note 2.17)	369	-	-	-	-	369	369	
Prepayments and other assets (Refer to Note 2.4)	476	-	-	-	-	476	465	(2)
Derivative financial instruments	-	-	7	-	1	8	8	
Total	**5,997**	**-**	**358**	**14**	**554**	**6,923**	**6,952**	
Liabilities:								
Trade payables	377	-	-	-	-	377	377	
Lease liabilities	612	-	-	-	-	612	612	
Derivative financial instruments	-	-	62	-	3	65	65	
Financial liability under option arrangements (Refer to note 2.10)	-	-	82	-	-	82	82	
Other liabilities including contingent consideration (Refer to note 2.5)	1,054	-	45	-	-	1,099	1,099	
Total	**2,043**	**-**	**189**	**-**	**3**	**2,235**	**2,235**	

[1] On account of fair value changes including interest accrued

[2] Excludes interest accrued on quoted debt securities carried at amortized cost of $11 million.

[3] Excludes unbilled revenue for contracts where the right to consideration is dependent on completion of contractual milestones

The carrying value and fair value of financial instruments by categories as at March 31, 2019 were as follows:

(Dollars in millions)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value	
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Assets:								
Cash and cash equivalents (Refer to Note 2.1)	2,829	-	-	-	-	2,829	2,829	
Investments (Refer to Note 2.2)								
Liquid mutual funds	-	-	258	-	-	258	258	
Fixed maturity plan securities	-	-	66	-	-	66	66	
Quoted debt securities	277	-	-	-	577	854	884	(1)
Certificate of deposits	-	-	-	-	358	358	358	
Commercial papers	-	-	-	-	72	72	72	
Unquoted equity and preference securities	-	-	3	15	-	18	18	
Unquoted investment others	-	-	2	-	-	2	2	
Trade receivables	2,144	-	-	-	-	2,144	2,144	
Unbilled revenues[3] (Refer to Note 2.17)	303	-	-	-	-	303	303	
Prepayments and other assets (Refer to Note 2.4)	529	-	-	-	-	529	517	(2)
Derivative financial instruments	-	-	43	-	5	48	48	
Total	**6,082**	**-**	**372**	**15**	**1,012**	**7,481**	**7,499**	
Liabilities:								
Trade payables	239	-	-	-	-	239	239	
Derivative financial instruments	-	-	2	-	-	2	2	
Other liabilities including contingent consideration (Refer to note 2.5)	1,263	-	27	-	-	1,290	1,290	
Total	**1,502**	**-**	**29**	**-**	**-**	**1,531**	**1,531**	

[1] On account of fair value changes including interest accrued

[2] Excludes interest accrued on quoted debt securities carried at amortized cost of $12 million.

[3] Excludes unbilled revenue for contracts where the right to consideration is dependent on completion of contractual milestones

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2020:

(Dollars in millions)

Particulars	As at March 31, 2020	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer to Note 2.2)	278	278	-	-
Investments in fixed maturity plan securities (Refer to Note 2.2)	65	-	65	-
Investments in quoted debt securities (Refer to Note 2.2)	688	618	70	-
Investments in certificate of deposit (Refer to Note 2.2)	149	-	149	-
Investments in unquoted equity and preference securities (Refer to Note 2.2)	15	-	-	15
Investments in unquoted investments others (Refer to Note 2.2)	7	-	-	7
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts	8	-	8	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts	65	-	65	-
Financial liability under option arrangements (Refer to note 2.10)	82	-	-	82
Liability towards contingent consideration (Refer to note 2.5)*	45	-	-	45

**Discount rate pertaining to contingent consideration ranges from 8% to 14%*

During the year ended March 31, 2020, quoted debt securities of $87 million were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price and quoted debt securities of $7 million were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2019:

(Dollars in millions)

Particulars	As at March 31, 2019	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer to Note 2.2)	258	258	-	-
Investments in fixed maturity plan securities (Refer to Note 2.2)	66	-	66	-
Investments in quoted debt securities (Refer to Note 2.2)	884	630	254	-
Investments in certificate of deposit (Refer to Note 2.2)	358	-	358	-
Investments in commercial paper (Refer to Note 2.2)	72	-	72	-
Investments in unquoted equity and preference securities (Refer to Note 2.2)	18	-	-	18
Investments in unquoted investments others (Refer to Note 2.2)	2	-	-	2
Derivative financial instruments- gain on outstanding foreign exchange forward and option contracts	48	-	48	-
Liabilities				
Derivative financial instruments- loss on outstanding foreign exchange forward and option contracts	2	-	2	-
Liability towards contingent consideration (Refer to Note 2.5)*	27	-	-	27

**Discount rate pertaining to contingent consideration ranges from 9% to 16%*

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets and liabilities does not have a significant impact in its value.

2.4 Prepayments and other assets

Prepayments and other assets consist of the following:

(Dollars in millions)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Current		
Rental deposits	4	2
Security deposits	1	1
Loans to employees	32	35
Prepaid expenses [(1)]	128	108
Interest accrued and not due	62	131
Withholding taxes and others[(1)]	209	215
Advance payments to vendors for supply of goods [(1)]	19	16
Deposit with corporations*	237	242
Escrow and other deposits pertaining to buyback (Refer to Note No 2.19.1)	-	37
Deferred contract cost[(1)]	4	8
Net investment in sublease of right of use asset (Refer to note 2.8)	5	-
Other assets non financial [(1)]	4	-
Other assets financial	34	32
Total Current prepayment and other assets	**739**	**827**
Non-current		
Loans to employees	3	3
Security deposits	7	8
Deposit with corporations*	7	10
Prepaid gratuity [(1)]	20	6
Prepaid expenses [(1)]	11	23
Deferred contract cost [(1)]	13	40
Advance towards business acquisition[(1)]	-	30
Withholding taxes and others[(1)]	103	134
Net investment in sublease of right of use asset (Refer to note 2.8)	53	-
Rental Deposits	29	28
Other assets	2	-
Total Non- current prepayment and other assets	**248**	**282**
Total prepayment and other assets	**987**	**1,109**
Financial assets in prepayments and other assets	**476**	**529**

[(1)] *Non financial assets*

Withholding taxes and others primarily consist of input tax credits and Cenvat recoverable from Government of India. Cenvat recoverable includes $50 million which are pending adjudication. The Group expects these amounts to be sustainable on adjudication and recoverable on final resolution.

*Deposit with corporation represents amounts deposited to settle certain employee-related obligations as and when they arise during the normal course of business.

2.5 Other liabilities

Other liabilities comprise the following:

(Dollars in millions)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Current		
Accrued compensation to employees	391	372
Accrued provident fund liability (Refer note 2.18.3) [(1)]	9	-
Accrued expenses	518	480
Withholding taxes and others [(1)]	232	215
Retention money	10	16
Liabilities of controlled trusts	25	24
Liability towards contingent consideration	29	14
Financial liability on account of buyback[(2)]	-	174
Deferred rent [(1)]	-	9
Capital creditors	37	98
Others non financial liabilities	1	-
Others	69	96
Total Current other liabilities	**1,321**	**1,498**
Non-Current		
Liability towards contingent consideration	16	13
Accrued compensation to employees	3	3
Accrued gratuity[(1)]	4	4
Accrued provident fund liability (Refer note 2.18.3) [(1)]	24	-
Deferred income - government grant on land use rights [(1)]	6	6
Deferred income [(1)]	3	4
Deferred rent [(1)]	-	25
Financial liability under option arrangements (Refer to note 2.10)	82	-
Others	1	-
Total Non-current other liabilities	**139**	**55**
Total other liabilities	**1,460**	**1,553**
Financial liabilities included in other liabilities	1,181	1,290
Financial liability towards contingent consideration on an undiscounted basis	48	34

[(1)] Non financial liabilities

[(2)] In accordance with IAS 32 Financial Instruments: Presentation, the Company has recorded a financial liability as at March 31, 2019 for the obligation to acquire its own equity shares to the extent of standing instructions provided to its registered broker for the buyback (refer to note 2.19.1). The financial liability is recognized at the present value of the maximum amount that the Company would be required to pay to the registered broker for buy back, with a corresponding debit in general reserve / retained earnings. The liability has been utilized towards buyback of equity shares which was completed on August 26, 2019.

Accrued expenses primarily relate to cost of technical sub-contractors, telecommunication charges, legal and professional charges, brand building expenses, overseas travel expenses and office maintenance.

2.6 Provisions

Accounting Policy

Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Post sales client support

The Group provides its clients with a fixed-period post sales support for its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time related revenues are recorded and included in cost of sales. The Group estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Group recognizes any impairment loss on the assets associated with that contract.

Provisions comprise the following:

(Dollars in millions)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Provision for post sales client support and other provisions	76	83
	76	**83**

Provision for post sales client support and other provisions represents costs associated with providing sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of 1 year.

Provision for post sales client support and other provisions is included in cost of sales in the condensed consolidated statement of comprehensive income.

As at March 31, 2020 and March 31, 2019, claims against the Group, not acknowledged as debts, (excluding demands from income tax authorities- Refer to Note 2.12) amounted to ₹230 crore ($30 million) and ₹230 crore ($33 million), respectively.

The Audit Committee appointed an external legal counsel to conduct an independent investigation into the whistleblower allegations which have been previously disclosed to stock exchanges on October 22, 2019 and to the Securities and Exchange Commission (SEC) on Form 6-K on the same date. As previously disclosed on January 10, 2020 the outcome of the investigation has not resulted in restatement of previously issued financial statements.

The Company cooperated with an investigation by the SEC regarding the same matters. In March 2020, the Company received notification from the SEC that the SEC has concluded its investigation and the Company does not anticipate any further action by the SEC on this matter. The Company is responding to all the inquires received from the Indian regulatory authorities and will continue to cooperate with the authorities for any additional requests for information. Additionally, in October 2019, a shareholder class action lawsuit was filed in the United States District Court for the Eastern District of New York against the Company and certain of its current and former officers for alleged violations of the US federal securities laws. The Company is presently unable to predict the scope, duration or the outcome of these matters.

The Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group's management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Group's results of operations or financial condition.

2.7 Property, plant and equipment

Accounting Policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building	22-25 years
Plant and machinery[(1)]	5 years
Computer equipment	3-5 years
Furniture and fixtures	5 years
Vehicles	5 years
Leasehold improvements	Lower of useful life of the asset or lease term

[(1)] includes solar plant with a useful life of 20 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of comprehensive income when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in net profit in the consolidated statement of comprehensive income.

Impairment

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 Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in net profit in the statement of comprehensive income 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 net profit in the statement of comprehensive income 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 amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2020:

(Dollars in millions)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2019	**276**	**1,291**	**572**	**845**	**321**	**5**	**3,310**
Additions	2	149	106	131	95	1	484
Additions- Business Combinations (Refer note 2.10)	-	-	-	9	2	-	11
Deletions	-	-	(2)	(25)	(5)	-	(32)
Reclassified on account of adoption of IFRS 16 (Refer note 2.8)	(86)	-	-	-	-	-	(86)
Translation difference	(18)	(116)	(55)	(78)	(32)	-	(299)
Gross carrying value as at March 31, 2020	**174**	**1,324**	**621**	**882**	**381**	**6**	**3,388**
Accumulated depreciation as at April 1, 2019	**(5)**	**(423)**	**(390)**	**(606)**	**(223)**	**(3)**	**(1,650)**
Depreciation	-	(50)	(67)	(121)	(47)	(1)	(286)
Accumulated depreciation on deletions	-	-	2	25	5	-	32
Reclassified on account of adoption of IFRS 16 (Refer note 2.8)	5	-	-	-	-	-	5
Translation difference	-	39	37	56	22	-	154
Accumulated depreciation as at March 31, 2020	**-**	**(434)**	**(418)**	**(646)**	**(243)**	**(4)**	**(1,745)**
Capital work-in progress as at March 31, 2020							167
Carrying value as at March 31, 2020	**174**	**890**	**203**	**236**	**138**	**2**	**1,810**
Capital work-in progress as at April 1, 2019							271
Carrying value as at April 1, 2019	**271**	**868**	**182**	**239**	**98**	**2**	**1,931**

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2019:

(Dollars in millions)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2018	**292**	**1,247**	**518**	**749**	**285**	**5**	**3,096**
Additions	8	132	98	163	56	1	458
Additions- Business Combinations (Refer note 2.10)	-	-	1	4	2	-	7
Deletions	(7)	(17)	(15)	(35)	(9)	-	(83)
Reclassification from assets held for sale (Refer note 2.10.1)	-	-	-	6	4	-	10
Translation difference	(17)	(71)	(30)	(42)	(17)	(1)	(178)
Gross carrying value as at March 31, 2019	**276**	**1,291**	**572**	**845**	**321**	**5**	**3,310**
Accumulated depreciation as at April 1, 2018	**(5)**	**(417)**	**(359)**	**(557)**	**(203)**	**(3)**	**(1,544)**
Depreciation	(1)	(45)	(62)	(109)	(37)	(1)	(255)
Accumulated depreciation on deletions	-	15	12	33	8	-	68
Reclassification from assets held for sale (Refer note 2.10.1)	-	-	-	(4)	(3)	-	(7)
Translation difference	1	24	19	31	12	1	88
Accumulated depreciation as at March 31, 2019	**(5)**	**(423)**	**(390)**	**(606)**	**(223)**	**(3)**	**(1,650)**
Capital work-in progress as at March 31, 2019							271
Carrying value as at March 31, 2019	**271**	**868**	**182**	**239**	**98**	**2**	**1,931**
Capital work-in progress as at April 1, 2018							311
Carrying value as at April 1, 2018	**287**	**830**	**159**	**192**	**82**	**2**	**1,863**

The aggregate depreciation expense is included in cost of sales in the statement of comprehensive income.

The contractual commitments for capital expenditure primarily comprises of commitments for infrastructure facilities and computer equipment's aggregating to $180 million and $249 million as at March 31, 2020 and March 31, 2019, respectively.

2.8 Leases

Accounting Policy

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The group 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 group assesses whether: (1) the contract involves the use of an identified asset (2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group 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 group changes its assessment if whether it will exercise an extension or a termination option.

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

The Group as a lessor

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

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

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

Transition

Effective April 1, 2019, the Group adopted IFRS 16 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report on Form 20F for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of $420 million, 'Net investment in sublease of ROU asset' of $62 million and a lease liabilities of $520 million. The cumulative effect of applying the standard, amounting to $6 million was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the operating profit, net profit for the period and earnings per share. IFRS 16 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, IFRS 16 is applied only to contracts that were previously identified as leases under IAS 17.

The difference between the lease obligation recorded as of March 31, 2019 under IAS 17 disclosed under Note 2.15 of the 2019 Annual Report on Form 20F and the value of the lease liabilities as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with IFRS 16 and discounting the lease liabilities to the present value under IFRS 16.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 4.5%.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

(Dollars in millions)

Particulars	**Category of ROU asset**				
	Land	**Buildings**	**Vehicles**	**Computers**	**Total**
Balance as of April 1, 2019	-	419	1	-	420
Reclassified on account of adoption of IFRS 16	92	-	-	-	92
Additions*	-	148	-	7	155
Additions through business combination (*Refer to Note 2.10)*	-	26	2	-	28
Deletions	-	(18)	-	-	(18)
Depreciation	(1)	(75)	(1)	(1)	(78)
Translation difference	(8)	(39)	-	(1)	(48)
Balance as of March 31, 2020	**83**	**461**	**2**	**5**	**551**

** Net of lease incentives of $16 million related to lease of buildings*

The aggregate depreciation expense on ROU assets is included in cost of sales in the consolidated statement of comprehensive income.

The following is the break-up of current and non-current lease liabilities as of March 31, 2020:

(Dollars in millions)

Particulars	**Amount**
Current lease liabilities	82
Non-current lease liabilities	530
Total	**612**

The following is the movement in lease liabilities during the year ended March 31, 2020:

(Dollars in millions)

Particulars	Amount
Balance as of April 1, 2019	520
Additions	175
Additions through business combination (Refer to note 2.10)	32
Finance cost accrued during the period	24
Deletions	(20)
Payment of lease liabilities	(90)
Translation difference	(29)
Balance as of March 31, 2020	**612**

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2020 on an undiscounted basis:

(Dollars in millions)

Particulars	Amount
Less than one year	105
One to five years	344
More than five years	274
Total	**723**

The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was $13 million for the year ended March 31, 2020.

The following is the movement in the net-investment in sublease of ROU asset during the year ended March 31, 2020:

(Dollars in millions)

Particulars	Amount
Balance as of April 1, 2019	62
Interest income accrued during the period	2
Lease receipts	(6)
Balance as of March 31, 2020	**58**

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset as of March 31, 2020 on an undiscounted basis:

(Dollars in millions)

Particulars	Amount
Less than one year	7
One to five years	29
More than five years	32
Total	**68**

Leases not yet commenced to which Group is committed amounts to $87 million for a lease term ranging from 2 years to 13 years.

2.9 Goodwill

Accounting Policy

Goodwill represents purchase consideration in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the purchase consideration, the fair value of net assets acquired is reassessed and the bargain purchase excess is recognized immediately in the net profit in the Statement of Comprehensive Income. Goodwill is measured at cost less accumulated impairment losses.

Impairment

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGU's which benefit from the synergies of the acquisition. 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 recognized in net profit in the Statement of comprehensive income and is not reversed in the subsequent period.

Following is a summary of changes in the carrying amount of goodwill:

(Dollars in millions)

Particulars	**As at**	
	March 31, 2020	**March 31, 2019**
Carrying value at the beginning	512	339
Goodwill on Wongdoody acquisition	-	25
Goodwill on Fluido acquisition	-	32
Goodwill on HIPUS acquisition (Refer to note 2.10)	16	-
Goodwill on Stater acquisition (Refer to note 2.10)	57	-
Goodwill on Simplus acquisition (Refer to note 2.10)	130	-
Goodwill reclassified from assets held for sale, net of reduction in recoverable amount	-	138
Translation differences	(16)	(22)
Carrying value at the end	**699**	**512**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU or groups of CGUs, which benefit from the synergies of the acquisition. The Group internally reviews the goodwill for impairment at the operating segment level, after allocation of the goodwill to CGU's or groups of CGUs.

The following table presents the allocation of goodwill to operating segments as at March 31, 2020 and March 31, 2019 respectively:

(Dollars in millions)

Segment	As at	
	March 31, 2020	**March 31, 2019**
Financial services	167	108
Retail	66	63
Communication	62	56
Energy, utilities, resources and services	117	54
Manufacturing	50	34
	462	**315**
Operating segments without significant goodwill	102	61
Total	**564**	**376**

Consequent to reclassification from held for sale (refer note 2.10.1), the goodwill pertaining to Panaya, Kallidus and Skava acquisitions are tested for impairment at the respective entity level, which amounts to $135 million and $136 million as at March 31, 2020 and March 31, 2019, respectively.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. Value-in-use is determined based on discounted future cash flows . The key assumptions used for the calculations are as follows:

in%

	As at	
	March 31, 2020	**March 31, 2019**
Long term growth rate	7-10	8-10
Operating margins	17-20	17-20
Discount rate	11.9	12.5

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. As at March 31, 2020, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions consequent to the change in estimated future economic conditions on account of possible effects relating to Covid 19 is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating unit.

2.10 Business combination

Accounting Policy

Business combinations have been accounted for using the acquisition method under the provisions of IFRS 3 (Revised), Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognized in the Statement of Comprehensive Income.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations between entities under common control is outside the scope of IFRS 3 (Revised), Business Combinations and is accounted for at carrying value of the assets and liabilities in the Group's consolidated financial statements.

The payments related to options issued by the Group over the non-controlling interests in its subsidiaries are accounted as financial liabilities and initially recognized at the estimated present value of gross obligations. Such options are subsequently measured at fair value in order to reflect the amount payable under the option at the date at which it becomes exercisable. In the event that the option expires unexercised, the liability is derecognised.

Transaction costs that the Group incurs in connection with a business combination such as finders' fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

HIPUS Co. Ltd. (formerly Hitachi Procurement Service Co. Ltd)

On April 1, 2019, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 81% of voting interests in HIPUS Co Limited (HIPUS), a wholly owned subsidiary of Hitachi Ltd, Japan for a total cash consideration of JPY 3.29 billion (approximately $30 million). The company has recorded a financial liability for the estimated present value of its gross obligation to purchase the non-controlling interest as of the acquisition date in accordance with the share purchase agreement with a corresponding adjustment to equity (refer to note 2.5).

HIPUS handles indirect materials purchasing functions for the Hitachi Group. The entity is expected to provide end-to-end procurement capabilities, through its procurement function expertise, localized team and BPM networks in Japan. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(Dollars in millions)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets[*]	6	-	6
Intangible assets - Customer contracts and relationships[#]	-	17	17
Deferred tax liabilities on intangible assets	-	(5)	(5)
	6	**12**	**18**
Goodwill			16
Less: Non-controlling interest			(4)
Total purchase price			**30**

** Includes cash and cash equivalents acquired of $26 million.*

[#] *Useful life is in the range of 5 to 15 years*

Goodwill is not tax deductible.

The gross amount of trade receivables acquired and its fair value is $202 million and the amount has been fully collected. Trade payables as on the acquisition date amounted to $218 million.

The transaction costs of $1 million related to the acquisition have been included under administrative expenses in the statement of comprehensive income for the year ended March 31, 2019.

Stater N.V.

On May 23, 2019, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 75% of voting interests in Stater N.V (Stater), a wholly-owned subsidiary of ABN AMRO Bank N.V., Netherland, for a total cash consideration of Euro 154 million (approximately $171 million). The company has recorded a financial liability for the estimated present value of its gross obligation to purchase the Non-controlling interest as of the acquisition date in accordance with the share purchase agreement with a corresponding adjustment to equity (refer to Note 2.5).

Stater brings European mortgage expertise and a robust digital platform to drive superior customer experience. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(Dollars in millions)

Component	**Acquiree's carrying amount**	**Fair value adjustments**	**Purchase price allocated**
Net assets[(*)]	78	-	78
Intangible assets - Customer contracts and relationships[#]	-	79	79
Intangible assets - Technology[#]	-	16	16
Intangible assets - Brand[#]	-	3	3
Deferred tax liabilities on intangible assets	-	(20)	(20)
	78	**78**	**156**
Goodwill			57
Less: Non controlling interest			(42)
Total purchase price			**171**

** Includes cash and cash equivalents acquired of $73 million*

[#] Useful lives are in the range of 5 to 15 years

Goodwill is not tax deductible.

The gross amount of trade receivables acquired and its fair value is $11 million and the amount is substantially collected.

The transaction costs of $1 million related to the acquisition have been included under administrative expenses in the statement of comprehensive income for the three months ended June 30, 2019.

Outbox systems Inc. dba Simplus

On March 13, 2020, Infosys Nova Holdings LLC (a wholly owned subsidiary of Infosys Limited) acquired 100% of voting interests in Outbox systems Inc. dba Simplus , a US based sales force advisor and consulting partner in cloud consulting, implementation and training services for a total consideration of up to $250 million (approximately ₹1,892 crore), comprising of cash consideration of $180 million (approximately ₹1,362 crore), contingent consideration of up to $20 million (approximately ₹151 crore), additional performance bonus and retention payouts of upto $50 million (approximately ₹378 crore) payable to the employees of Simplus over the next three years, subject to their continuous employment with the group and meeting certain targets. Performance and retention bonus is recognized in employee benefit expenses in the statement of comprehensive income over the period of service.

Simplus brings to Infosys globally recognized Salesforce expertise, industry knowledge, solution assets, deep ecosystem relationships and a broad clientele, across a variety of industries The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill. Goodwill includes the value expected from addition of new customers and estimated synergies which does not qualify as an intangible asset.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(Dollars in millions)

Component	**Acquiree's carrying amount**	**Fair value adjustments**	**Purchase price allocated**
Net assets[(*)]	3	-	3
Intangible assets - Customer contracts and relationships[#]	-	20	20
Intangible assets - Salesforce Relationships[#]	-	43	43
Intangible assets - Brand[#]	-	15	15
Deferred tax liabilities on intangible assets	-	(20)	(20)
	3	**58**	**61**
Goodwill			130
Total purchase price			**191**

** Includes cash and cash equivalents acquired of $ 1 million..*

[#] Useful lives are in the range of 2 to 10 years

Goodwill is not tax deductible.

The fair value of each major class of consideration as of the acquisition date is as follows:

(Dollars in millions)

Component	**Purchase price allocated**
Cash consideration	180
Fair value of contingent consideration	11
Total purchase price	191

The gross amount of trade receivables acquired and its fair value is approximately $10 million and the amount is recoverable

The payment of contingent consideration to sellers of Simplus is dependent upon the achievement of certain financial targets by Simplus. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 10.5% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as of March 31, 2020 was $13 million.

The transaction costs of $1 million related to the acquisition have been included under administrative expenses in the statement of comprehensive income for the year ended March 31, 2020.

Proposed transfer

On October 11, 2019, the Board of Directors of Infosys authorized the Company to execute a Business Transfer Agreement and related documents with its wholly owned subsidiaries, Kallidus Inc and Skava Systems Private Limited (together referred to as Skava), to transfer the business of Skava to Infosys Limited, subject to securing the requisite regulatory approvals for a consideration based on an independent valuation. The transfer between entities under common control would be accounted for at carrying value and would not have any impact on the consolidated financial statements.

2.10.1 Disposal Group held for sale

Accounting policy

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset or the disposal group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets and disposal groups held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the Disposal Group no longer meets the "Held for sale" criteria.

During the year ended March 2018, the Company initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya, collectively referred to as the "Disposal Group". The Disposal Group was classified and presented separately as "held for sale" and was carried at the lower of carrying value and fair value. During the year ended March 31, 2019, on remeasurement, including consideration of progress in negotiations on offers from prospective buyers for Panaya, the Company recorded a reduction in the fair value of Disposal Group held for sale amounting to $39 million in respect of Panaya.

Frurther, based on evaluation of proposals received and progress of negotiations with potential buyers, the Company concluded that the Disposal Group does not meet the criteria for "Held for Sale' classification because it was no longer highly probable that sale would be consummated by March 31, 2019 (twelve months from date of initial classification " as held for sale") Accordingly, in accordance with IFRS 5 -" Non current Assets held for Sale and Discontinued Operations", the assets and liabilities of Panaya and Skava have been included on a line by line basis in the consolidated financial statements for the year ended and as at March 31, 2019.

On reclassification from "Held for sale", the assets of Panaya and Skava have been remeasured at the lower of cost and recoverable amount resulting in recognition of an adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" of $65 million (comprising of $52 million towards goodwill and $13 million towards value of customer relationships) in respect of Skava in the consolidated statement of comprehensive income for the year ended March 31, 2019.

2.11 Employees' Stock Option Plans (ESOP)

Accounting Policy

The Group recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with IFRS 2, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share premium.

Infosys Expanded Stock Ownership Program 2019 (the 2019 Plan)

On June 22, 2019 pursuant to approval by the shareholders in the Annual General Meeting , the Board has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company and its subsidiaries under the 2019 Plan. The maximum number of shares under the 2019 plan shall not exceed 50,000,000 equity shares. To implement the 2019 Plan, upto 45,000,000 equity shares may be issued by way of secondary acquisition of shares by Infosys Expanded Stock Ownership Trust. The RSUs granted under the 2019 plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator (Nomination and Remuneration Committee). The performance parameters will be based on a combination of relative Total Shareholder Return (TSR) against selected industry peers and certain broader market domestic and global indices and operating performance metrics of the company as decided by administrator. Each of the above performance parameters will be distinct for the purposes of calculation of quantity of shares to vest based on performance. These instruments will generally vest between a minimum of 1 to maximum of 3 years from the grant date.

2015 Stock Incentive Compensation Plan (the 2015 Plan) :

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board has been authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (the 2015 Plan). The maximum number of shares under the 2015 plan shall not exceed 24,038,883 equity shares (this includes 11,223,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). The Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

The equity settled and cash settled RSUs and stock options would vest generally over a period of 4 years and shall be exercisable within the period as approved by the Nomination and Remuneration Committee (NARC) . The exercise price of the RSUs will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant.

Consequent to the September 2018 bonus issue, all the then outstanding options granted under the stock option plan have been adjusted for bonus shares. Unless otherwise stated , all the prior period share numbers, share prices and weighted average exercise prices in this note have been adjusted to give effect to the September 2018 bonus issue.

Controlled trust holds 18,239,356 and 20,324,982 shares as at March 31, 2020 and March 31, 2019, respectively under the 2015 plan. Out of these shares 200,000 equity shares each have been earmarked for welfare activities of the employees as at March 31, 2020 and March 31, 2019.

The following is the summary of grants during the year ended March 31, 2020 and March 31, 2019:

Particulars	2019 Plan		2015 Plan	
	Year ended March 31,		Year ended March 31,	
	2020	2019	2020	2019*
Equity settled RSU				
KMPs	356,793	-	507,896	675,530
Employees other than KMP	1,734,500	-	3,346,280	3,665,170
	2,091,293	**-**	**3,854,176**	**4,340,700**
Cash settled RSU				
KMPs	-	-	180,400	-
Employees other than KMP	-	-	475,740	74,090
	-	**-**	**656,140**	**74,090**
Total Grants	**2,091,293**	**-**	**4,510,316**	**4,414,790**

** Information is adjusted for September, 2018 bonus issue*

Notes on grants to KMP:

CEO & MD

Under the 2015 plan:

In accordance with the employee agreement which has been approved by the shareholders, the CEO is eligible to receive an annual grant of RSUs of fair value ₹3.25 crore (approximately $0.50 million) which will vest overtime in three equal annual installments upon the completion of each year of service from the respective grant date. Accordingly, annual time-based grant of 41,782 RSUs was made effective February 27, 2020 for fiscal 2020. Though the annual time based grants for the remaining employment term ending on March 31, 2023 have not been granted as of March 31, 2020, since the service commencement date precedes the grant date, the company has recorded employment stock compensation expense in accordance with IFRS 2, Share based payments.

The Board, on April 12, 2019, based on the recommendations of the Nomination and Remuneration Committee, approved the performance-based grant of RSUs amounting to ₹13 crore (approximately $2 million) for the financial year 2020 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 177,887 performance based RSU's were granted effective May 2, 2019.

In accordance with the shareholders approval in the Annual General meeting held on June 22, 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, approved to amend the vesting period of the annual performance equity grant from three years to one year. Accordingly the vesting period of 217,200 (adjusted for September 2018 bonus issue) performance based RSUs granted effective May 2, 2018 and 177,887 performance based RSU's granted effective May 2, 2019 have been amended to one year.

Under the 2019 plan:

In accordance with the shareholders approval in Annual General meeting held on June 22, 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore (approximately $1.50 million) for financial year 2020 under the 2019 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 134,138 performance based RSU's were granted effective June 22, 2019.

COO and Whole time director

Under the 2015 plan:

On February 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time-based grant of 58,650 RSUs granted effective February 27, 2020.

Under the 2019 plan:

In accordance with the shareholders approval in Annual General meeting held on June 22, 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹4 crore (approximately $0.50 million) for financial year 2020 under the 2019 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 53,655 performance based RSU's were granted effective June 22, 2019.

Other KMP

Under the 2015 plan:

On April 12, 2019, based on the recommendations of the Nomination and Remuneration Committee, in accordance with employment agreement, the Board, approved performance-based grant of 10,263 RSUs and time based grant of 23,946 RSUs to other KMP under the 2015 Plan. The grants were made effective May 2, 2019. The time based RSUs will generally vest over four years and the performance based RSUs will vest over three years based on certain performance targets.

On February 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 375,768 RSUs to other KMPs under the 2015 plan. The grants were made effective February 27, 2020. These RSUs will vest over four years.

Under the 2019 plan:

On February 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance based grants of 169,000 RSUs to other KMPs under the 2019 plan. The grants were made effective February 27, 2020. These RSUs will vest over three years based on achievement of certain performance targets.

Break-up of employee stock compensation expense

(Dollars in millions)

Particulars	Year ended March 31,	
	2020	**2019**
Granted to:		
KMP	8	5
Employees other than KMP	26	24
Total [(1)]	**34**	**29**
[(1)] Cash settled stock compensation expense included in the above	1	1

Share based payment arrangements that were modified during the year ended March 31, 2020:

During the year ended March 31, 2020, the company issued stock appreciation rights as replacement for outstanding ADS settled RSU and ESOP awards. The replacement was pursuant to SEBI Circular 'Framework for issue of Depository Receipts' dated October 10, 2019 which prohibited companies to allot ADS to Indian residents and Non resident Indians. The awards were granted after necessary approvals from the NARC. All other terms and conditions of the replaced awards remain the same as the original award.

The replacement awards was accounted as a modification and the fair value on the date of modification of $8 million is recognized as financial liability with a corresponding adjustment to equity.

The fair values of the awards are estimated using the Black-Scholes Model for time and non-market performance based options and Monte Carlo simulation model is used for TSR based options.

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the options. Expected volatility of the comparative company have been modelled based on historical movements in the market prices of their publicly traded equity shares during a period equivalent to the expected term of the options. Correlation coefficient is calculated between each peer entity and the indices as a whole or between each entity in the peer group.

The fair value of each equity settled award is estimated on the date of grant using the following assumptions:

Particulars	For options granted in			
	Fiscal 2020-Equity Shares-RSU	**Fiscal 2020-ADS-RSU**	**Fiscal 2019-Equity Shares-RSU**	**Fiscal 2019-ADS-RSU**
Weighted average share price (₹) / ($ ADS)[(1)]	728	10.52	696	10.77
Exercise price (₹)/ ($ADS)[(1)]	5.00	0.07	3.31	0.06
Expected volatility (%)	22-30	22-26	21-25	22-26
Expected life of the option (years)	1-4	1-4	1-4	1-4
Expected dividends (%)	2-3	2-3	2.65	2.65
Risk-free interest rate (%)	6-7	1-3	7-8	2-3
Weighted average fair value as on grant date (₹) / ($ADS)[(1)]	607	7.84	648	10.03

[(1)] Fiscal 2019 values are adjusted for September 2018 bonus issue wherever applicable

The expected life of the RSU/ESOP is estimated based on the vesting term and contractual term of the RSU/ESOP, as well as expected exercise behavior of the employee who receives the RSU/ESOP.

2.12 Income taxes

Accounting policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the consolidated statement of comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized 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 it is no longer probable that the related tax benefit will be realized.

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 recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized 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 utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to share premium.

Income tax expense in the consolidated statement of comprehensive income comprises:

(Dollars in millions)

Particulars	Year ended March 31,	
	2020	**2019**
Current taxes		
Domestic taxes	628	600
Foreign taxes	186	217
	814	**817**
Deferred taxes		
Domestic taxes	(43)	3
Foreign taxes	(14)	(17)
	(57)	**(14)**
Income tax expense	**757**	**803**

During the year ended March 31, 2019, the Company entered into Advance Pricing Agreement (APA) in overseas jurisdictions resulting in a reversal of income tax expense of $14 million which pertained to prior periods.

Additionally Income tax expense for the year ended March 31, 2020 and March 31, 2019 includes reversal (net of provisions) of $52 million and reversal (net of provisions) of $18 million respectively. These reversals pertain to prior periods on account of adjudication of certain disputed matters in favor of the company across various jurisdictions and on account of changes to tax regulations.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(Dollars in millions)

Particulars	Year ended March 31,	
	2020	**2019**
Profit before income taxes	3,095	3,003
Enacted tax rates in India	34.94%	34.94%
Computed expected tax expense	1,083	1,049
Tax effect due to non-taxable income for Indian tax purposes	(383)	(386)
Overseas taxes	103	102
Tax provision (reversals)	(52)	(25)
Effect of differential tax rates	(11)	-
Effect of exempt non operating income	(6)	(8)
Effect of unrecognized deferred tax assets	7	13
Effect of non-deductible expenses	17	50
Branch profit tax (net of credits)	(5)	4
Others	4	4
Income tax expense	**757**	**803**

The applicable Indian corporate statutory tax rate for the year ended March 31, 2020 and March 31, 2019 is 34.94% each.

Deferred income tax for the year ended March 31, 2020 and March 31, 2019 substantially relates to origination and reversal of temporary differences.

As at March 31, 2020, claims against the Group not acknowledged as debts from the Indian Income tax authorities amounted to ₹3,353 crore ($443 million). Amount paid to statutory authorities against this amounted to ₹5,352 crore ($707 million).

As at March 31, 2019, claims against the Group not acknowledged as debts from the Income tax authorities amounted to ₹2,851 crore ($412 million). Amount paid to statutory authorities against the above tax claims amounted to ₹5,924 crore ($857 million).

The claims against the group majorly represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as disallowance of profits earned from STP Units and SEZ Units, disallowance of deductions in respect of employment of new employees under section 80JJAA, disallowance of expenditure towards software being held as capital in nature, payments made to Associated Enterprises held as liable for withholding of taxes.

These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group's financial position and results of operations.

2.13 Reconciliation of basic and diluted shares used in computing earnings per share

Accounting Policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.14 Related party transactions

Refer Note 2.19 "Related party transactions" in the Company's 2019 Annual Report on Form 20-F for the full names and other details of the Company's subsidiaries and controlled trusts.

Changes in Subsidiaries

During the year ended March 31, 2020, the following are the changes in the subsidiaries:

- On April 1, 2019, Infosys Consulting Pte Ltd, a wholly-owned subsidiary of Infosys Limited, acquired 81% of voting interest in HIPUS Co Ltd, Japan, a wholly owned subsidiary of Hitachi Ltd, Japan. (Refer to note 2.10)
- On May 23, 2019, Infosys Consulting Pte Ltd, a wholly-owned subsidiary of Infosys Limited, acquired 75% of voting interest in Stater N.V along with its eight subsidiaries Stater Netherland B.V., Stater Duitsland B.V., Stater XXL B.V., HypoCasso B.V., Stater Participations B.V., Stater Deutschland Verwaltungs-GmbH, Stater Deutschland GmbH & Co.KG, Stater Belgium N.V./S.A. (Refer to note 2.10)
- Infosys Technologies (Australia) Pty. Limited (Infosys Australia) has been liquidated effective November 17, 2019
- Infosys Tecnologia Do Brasil Ltda, a wholly owned subsidiary of Infosys Ltd merged into Infosys Consulting Ltda, a majority owned and controlled subsidiary of Infosys Ltd effective October 1, 2019.
- On February 20, 2020, Infosys Poland, Sp z.o.o, a wholly owned subsidiary of Infosys BPM acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o, a wholly owned subsidiary of Infosys Consulting Holding AG (formerly Lodestone Holding AG)
- Panaya Japan Co. Ltd, a wholly owned subsidiary of of Panaya Inc. has been liquidated effective October 19, 2019
- On March 13, 2020, Infosys Nova Holdings LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% of voting interest in Outbox systems Inc. dba Simplus (US) along with its eight subsidiaries Simplus North America Inc., Simplus ANZ Pty Ltd., Simplus Australia Pty Ltd, Sqware Peg Digital Pty Ltd, Simplus Philippines, Inc., Simplus Europe, Ltd., Simplus U.K., Ltd., Simplus Ireland, Ltd. (Refer to note 2.10)

Changes in Controlled trust

The following were the changes in controlled trusts:-

- On May 15, 2019, the Company registered Infosys Expanded Stock Ownership Trust

Change in key management personnel

The following are the changes in the Key management personnel

Roopa Kudva (retired as member of the Board effective February 3, 2020)

Transactions with key management personnel

The table below describes the compensation to key management personnel which comprise directors and executive officers:

(Dollars in millions)

Particulars	Year ended March 31,	
	2020	**2019**
Salaries and other employee benefits to whole-time directors and executive officers[(1)(2)(3)]	17	14
Commission and other benefits to non-executive/ independent directors	1	1
Total	**18**	**15**

[(1)] For the year ended March 31, 2020 and March 31, 2019, includes a charge of $8 million and $5 million respectively, towards employee stock compensation expense. (Refer note 2.11)

[(2)] On December 20, 2018, the Board appointed Nilanjan Roy as the Chief Financial Officer of the Company with effect from March 1, 2019.

[(3)] Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.

2.15 Segment Reporting

IFRS 8 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. The Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the accounting policies.

Business segments of the Group are primarily enterprises in Financial Services and Insurance, enterprises in Manufacturing, enterprises in Retail, Consumer Packaged Goods and Logistics, enterprises in the Energy, Utilities, Resources and Services, enterprises in Communication, Telecom OEM and Media, enterprises in Hi-Tech, enterprises in Life Sciences and Healthcare and all other segments. The Financial services reportable segments has been aggregated to include the Financial Services operating segment and Finacle operating segment because of the similarity of the economic characteristics. All other segments represent the operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for 'all other segments' represents revenue generated by Infosys Public Services and revenue generated from customers located in India, Japan and China and other enterprises in public service. Allocated expenses of segments include expenses incurred for rendering services from the Group's offshore software development centers and on-site expenses, which are categorized in relation to the associated efforts of the segment. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. The management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the Group.

Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between segments. Management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

Business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

Disclosure of revenue by geographic locations is given in note 2.16 Revenue from operations.

2.15.1 Business Segments

Year ended March 31, 2020 and March 31, 2019

(Dollars in millions)

	Financial Services	Retail	Communication	Energy, Utilities, Resources and Services	Manufacturing	Hi Tech	Life Sciences	All Other segments	Total
Revenues	**4,029**	**1,976**	**1,687**	**1,652**	**1,285**	**981**	**822**	**348**	**12,780**
	3,778	*1,935*	*1,488*	*1,483*	*1,163*	*882*	*743*	*327*	*11,799*
Identifiable operating expenses	2,109	984	998	860	703	581	452	209	6,896
	2,021	*974*	*816*	*808*	*644*	*506*	*394*	*202*	*6,365*
Allocated expenses	893	399	348	340	293	175	168	130	2,746
	775	*385*	*312*	*312*	*255*	*154*	*147*	*109*	*2,449*
Segment profit	**1,027**	**593**	**341**	**452**	**289**	**225**	**202**	**9**	**3,138**
	982	*576*	*360*	*363*	*264*	*222*	*202*	*16*	*2,985*
Unallocable expenses*									414
									289
Operating profit									**2,724**
									2,696
Other income, net *(Refer Note 2.18)*									395
									411
Finance cost *(Refer Note 2.8)*									(24)
									-
Reduction in the fair value of Disposal Group held for sale									-
									(39)
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" (Refer Note 2.10.1)									-
									(65)
Profit before Income taxes									**3,095**
									3,003
Income tax expense									757
									803
Net profit									**2,338**
									2,200
Depreciation and amortization									407
									287
Non-cash expenses other than depreciation and amortization									7
									107

* Unallocable expenses for the year ended March 31, 2020 includes amortization on ROU assets consequent to adoption of IFRS 16 - Leases effective April 1, 2019

2.15.2 Significant clients

No client individually accounted for more than 10% of the revenues for the year ended March 31, 2020 and March 31, 2019, respectively.

2.16 Revenue from Operations

Accounting Policy:

The Group derives revenues primarily from IT services comprising software development and related services, maintenance, consulting and package implementation, and from licensing of software products and platforms across the Group's core and digital offerings (together called as "software related services"). Contracts with customers are either on a time-and-material, unit of work, fixed-price or on a fixed-timeframe basis.

Effective April 1, 2018, the Group adopted IFRS 15 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. The effect on adoption of IFRS 15 was insignificant.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Group has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Group allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Group estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Group's contracts may include variable consideration including rebates, volume discounts and penalties. The Group includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue on time-and-material and unit of work based contracts, are recognized as the related services are performed. Fixed price maintenance revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Group's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended have been used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the lives of the contracts and are recognized in profit or loss in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

The billing schedules agreed with customers include periodic performance based billing and / or milestone based progress billings. Revenues in excess of billing are classified as unbilled revenue while billing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for software development and related services and maintenance services, by applying the revenue recognition criteria for each distinct performance obligation, the arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS).When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two distinct 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 Group uses the expected cost plus margin approach in estimating the standalone selling price. 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. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

Contracts with customers includes subcontractor services or third-party vendor equipment or software in certain integrated services arrangements. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when the Group is acting as an agent between the customer and the vendor, and gross when the Group is the principal for the transaction. In doing so, the group first evaluates whether it controls the good or service before it is transferred to the customer. The Group considers whether it has the primary obligation to fulfil the contract, inventory risk, pricing discretion and other factors to determine whether it controls the goods or service and therefore is acting as a principal or an agent.

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Group expects to recover them. Any capitalized contract costs are amortized, with the expense recognised as the Group transfers the related goods or services to the customer.

The Group presents revenues net of indirect taxes in its consolidated statement of comprehensive income.

Revenues for the year ended March 31, 2020 and March 31, 2019 is as follows:

(Dollars in millions)

Particulars	Year ended March 31,	
	2020	**2019**
Revenue from software services	12,003	11,184
Revenue from products and platforms	777	615
Total revenue from operations	**12,780**	**11,799**

The Group has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts;(ii) onerous obligations;(iii) penalties relating to breaches of service level agreements, and (iv) termination or deferment of contracts by customers. The Group has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geography and offerings for each of our business segments. The Group 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 March 31, 2020 and March 31, 2019

(Dollars in millions)

Particulars	Financial Services [1]	Retail[2]	Communication [3]	Energy , Utilities, resources and Services	Manufacturing	Hi Tech	Life Sciences[4]	Others [5]	Total
Revenues by Geography*									
North America	2,358	1,298	1,033	908	722	920	537	79	7,855
	2,290	*1,255*	*796*	*838*	*619*	*844*	*438*	*61*	*7,141*
Europe	842	558	271	592	503	27	267	25	3,085
	698	*548*	*271*	*507*	*499*	*15*	*287*	*22*	*2,847*
India	184	7	27	2	12	29	6	66	333
	172	*3*	*8*	-	*12*	*20*	*2*	*75*	*292*
Rest of the world	645	113	356	150	48	5	12	178	1,507
	618	*129*	*413*	*138*	*33*	*3*	*16*	*169*	*1,519*
Total	**4,029**	**1,976**	**1,687**	**1,652**	**1,285**	**981**	**822**	**348**	**12,780**
	3,778	*1,935*	*1,488*	*1,483*	*1,163*	*882*	*743*	*327*	*11,799*
Revenue by offerings									
Digital	1,626	867	681	631	489	357	260	97	5,008
	1,180	*673*	*516*	*437*	*347*	*297*	*185*	*50*	*3,685*
Core	2,403	1,109	1,006	1,021	796	624	562	251	7,772
	2,598	*1,262*	*972*	*1,046*	*816*	*585*	*558*	*277*	*8,114*
Total	**4,029**	**1,976**	**1,687**	**1,652**	**1,285**	**981**	**822**	**348**	**12,780**
	3,778	*1,935*	*1,488*	*1,483*	*1,163*	*882*	*743*	*327*	*11,799*

[1] Financial Services include enterprises in Financial Services and Insurance

[2] Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics

[3] Communication includes enterprises in Communication, Telecom OEM and Media

[4] Life Sciences includes enterprises in Life sciences and Health care

[5] Others include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services

** Geographical revenues is based on the domicile of customer.*

Digital Services

Digital Services comprise of service and solution offerings of the Group that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core Services

Core Services comprise traditional offerings of the Group that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services.

Products & platforms

The Group also derives revenues from the sale of products and platforms including Finacle – core banking solution, Edge Suite of products, Infosys Nia - Artificial Intelligence (AI) platform which applies next-generation AI and machine learning, Stater digital platform and Infosys McCamish- insurance platform

The percentage of revenue from fixed price contracts for each of the three months and year ended March 31, 2020 and March 31, 2019 is approximately 55%.

Trade Receivables and Contract Balances

The timing of revenue recognition, billings and cash collections results in Receivables, Unbilled Revenue, and Unearned Revenue on the Group's Consolidated Balance Sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones.

The Group's Receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of billings from time and material contracts and fixed price maintenance contracts are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

Invoicing to the clients for other fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore Unbilled Revenues for other fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

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

2.17 Unbilled revenue

(Dollars in millions)

Particulars	**As at**	
	March 31, 2020	**March 31, 2019**
Unbilled financial asset [(1)]	369	303
Unbilled non financial asset [(2)]	572	474
Total	**941**	**777**

[(1)] *Right to consideration is unconditional and is due only after a upon passage of time.*

[(2)] *Right to consideration is dependent on completion of contractual milestones.*

2.18 Break-up of expenses and other income, net

Accounting Policy
2.18.1 Gratuity

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of Infosys and its Indian subsidiaries. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the group.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The company fully contributes all ascertained liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). In case of Infosys BPM and EdgeVerve, contributions are made to the Infosys BPM Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees' Gratuity Fund Trust, respectively. Trustees administer contributions made to the Trusts and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law of India.

The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / asset are recognized in other comprehensive income and not reclassified to profit or loss in subsequent period. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profits in the statement of comprehensive income.

2.18.2 Superannuation

Certain employees of Infosys, Infosys BPM (formerly Infosys BPO) and EdgeVerve are participants in a defined contribution plan. The Group has no further obligations to the

Plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

2.18.3 Provident fund

Eligible employees of Infosys receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The company contributes a portion of the contributions to the Infosys Limited Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

In respect of Indian subsidiaries, eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the respective companies make monthly contributions to this provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The companies have no further obligation to the plan beyond its monthly contributions.

Infosys has an obligation to fund any shortfall on the yield of the trust’s investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided there is no shortfall as at March 31, 2010.

The details of the benefit obligation as at March 31, 2019 is as follows:

(Dollars in millions)

Particulars	As at March 31, 2019
Benefit obligation at the period end	866
Net liability recognized in balance sheet	**-**

The following tables set out the funded status of the defined benefit provident fund plan of Infosys limited and the amounts recognized in the Company's financial statements as at March 31, 2020:

(Dollars in millions)

Particulars	As at March 31, 2020
Change in benefit obligations	
Benefit obligations at the beginning	866
Service cost - employer contribution	57
Employee contribution	121
Interest expense	79
Actuarial (gains) / loss	30
Benefits paid	(94)
Translation differences	(86)
Benefit obligations at the end	**973**
Change in plan assets	
Fair value of plan assets at the beginning	866
Interest income	79
Remeasurements- Return on plan assets excluding amounts included in interest income [(1)]	(5)
Contributions (employer and employee)	178
Benefits paid	(94)
Translation differences	(84)
Fair value of plan assets at the end	**940**
Net liability (refer to note 2.5)	(33)

[(1)] *Includes unrealized losses on certain investments in bonds*

Amount for the year ended March 31, 2020 recognized in the consolidated statement of other comprehensive income:

(Dollars in millions)

Particulars	Year ended March 31, 2020
Remeasurements of the net defined benefit liability/ (asset)	
Actuarial (gains) / losses	30
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	5
	35

Assumptions used in determining the present value obligation of the defined benefit plan under the Deterministic Approach:

Particulars	As at March 31, 2020	As at March 31, 2019
Government of India (GOI) bond yield [(1)]	6.20%	7.10%
Expected rate of return on plan assets	8.00%	9.20%
Remaining term to maturity of portfolio	6 years	5.47 years
Expected guaranteed interest rate		
First year	8.50%	8.65%
Thereafter	8.50%	8.60%

[(1)] In India, the market for high quality corporate bonds being not developed, the yield of government bonds is considered as the discount rate. The tenure has been considered taking into account the past long-term trend of employees' average remaining service life which reflects the average estimated term of the post- employment benefit obligations.

The breakup of the plan assets into various categories as at March 31, 2020 is as follows:

Particulars	As at March 31, 2020
Central and State government bonds	49%
Public sector undertakings and Private sector bonds	48%
Others	3%

The asset allocation for plan assets is determined based on investment criteria prescribed under the relevant regulations.

As at March 31, 2020 the defined benefit obligation would be affected by approximately $10 million and $14 million on account of a 0.25% increase / decrease , respectively in the expected rate of return on plan assets.

The Group contributed $90 million and $77 million to the provident fund during the year ended March 31, 2020 and March 31, 2019, respectively. The same has been recognized in net profit in the Consolidated Statement of comprehensive income under the head employee benefit expense.

In February 2019, the Hon'ble Supreme Court of India vide its judgment and subsequent review petition of August 2019 has ruled in respect of compensation for the purpose of Provident Fund contribution under the Employee's Provident Fund Act. The Company has assessed possible outcomes of the judgment on determination of provident fund contributions and based on the Company's current evaluation of the judgement, it is not probable that certain allowances paid by the Company will be subject to payment of Provident Fund. The Company will continue to monitor and evaluate its position based on future events and developments.

The provident plans are applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit plans.

2.18.4 Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

2.18.5 Other income

Other income is comprised primarily of interest income, dividend income, gain/loss on investment and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

Effective April 1, 2018, the Group has adopted IFRS interpretation IFRIC 22- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

2.18.6 Foreign Currency

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are recognized in the Consolidated Statement of Comprehensive Income and reported within exchange gains/ (losses) on translation of assets and liabilities, net, except when deferred in Other Comprehensive Income as qualifying cash flow hedges. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the statement of comprehensive income. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Other Comprehensive Income, net of taxes includes translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as financial instruments and measured at fair value through other comprehensive income (FVOCI).

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the Balance Sheet date.

2.18.6 Operating Profits

Operating profit of the Group is computed considering the revenues, net of cost of sales, selling and marketing expenses and administrative expenses.

Cost of sales

(Dollars in millions)

	Year ended March 31,	
	2020	**2019**
Employee benefit costs	6,406	5,780
Depreciation and amortization	407	287
Travelling costs	288	253
Cost of technical sub-contractors	945	860
Cost of software packages for own use	142	129
Third party items bought for service delivery to clients	234	231
Short-term leases (Refer to Note 2.8)	9	-
Operating leases	-	52
Consultancy and professional charges	7	6
Communication costs	42	34
Repairs and maintenance	71	53
Provision for post-sales client support	-	-
Others	1	2
Total	**8,552**	**7,687**

Selling and marketing expenses

(Dollars in millions)

	Year ended March 31,	
	2020	**2019**
Employee benefit costs	510	462
Travelling costs	53	59
Branding and marketing	74	69
Operating leases	-	11
Short-term leases (Refer to Note 2.8)	1	-
Consultancy and professional charges	17	28
Communication costs	2	3
Others	7	6
Total	**664**	**638**

Administrative expenses

(Dollars in millions)

	Year ended March 31,	
	2020	**2019**
Employee benefit costs	252	226
Consultancy and professional charges	163	154
Repairs and maintenance	151	134
Power and fuel	32	32
Communication costs	30	31
Travelling costs	41	36
Rates and taxes	27	27
Operating leases	-	20
Short-term leases (Refer to Note 2.8)	3	-
Insurance charges	12	9
Impairment loss recognized/(reversed) under expected credit loss model	24	35
Commission to non-whole time directors	1	1
Contributions towards Corporate Social Responsibility	54	38
Others	50	35
Total	**840**	**778**

Other income, net

(Dollars in millions)

Particulars	Year ended March 31,	
	2020	**2019**
Interest income on financial assets carried at amortized cost	181	201
Interest income on financial assets fair valued through other comprehensive income	46	92
Gain/(loss) on investments carried at fair value through profit or loss	26	24
Gain/(loss) on investments carried at fair value through other comprehensive income	6	-
Interest income on income tax refund	37	7
Exchange gains / (losses) on forward and options contracts	(66)	27
Exchange gains / (losses) on translation of other assets and liabilities	139	18
Others	26	42
Total	**395**	**411**

2.19 Equity

Accounting policy

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buyback are recognized as a deduction from equity, net of any tax effects.

Treasury Shares

When any entity within the Group purchases the company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/ from Securities premium.

In December 2017, the International Accounting Standard Board issued amendments to IAS 12 – Income Taxes. The amendments clarify that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. On April 1, 2019, the Group adopted these amendments and there was no impact of these amendments on the Company's Consolidated financial statements.

Description of reserves

Retained earnings

Retained earnings represent the amount of accumulated earnings of the Group.

Share premium

The amount received in excess of the par value has been classified as share premium. Additionally, share-based compensation recognized in net profit in the consolidated statement of comprehensive income is credited to share premium.

Other Reserves

The Special Economic Zone Re-investment reserve has been created out of the profit of the eligible SEZ unit in terms of the provisions of Sec 10AA (1)(ii) of Income Tax Act, 1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in terms of the provisions of the Sec 10AA (2) of the Income Tax Act, 1961.

Capital Redemption Reserve
In accordance with section 69 of the Indian Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

Other components of equity
Other components of equity consist of currency translation, remeasurement of net defined benefit liability / asset, equity instruments fair valued through other comprehensive income, changes on fair valuation of investments and changes in fair value of derivatives designated as cash flow hedges, net of taxes.

Cash flow hedge reserve

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the consolidated statement of Comprehensive Income upon the occurrence of the related forecasted transaction.

2.19.1 Update on buyback of equity shares

The shareholders approved the proposal of buyback of equity shares recommended by its Board of Directors in its meeting held on January 11, 2019 through the postal ballot that concluded on March 12, 2019.

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange commenced on March 20, 2019 and was completed on August 26, 2019 . During this buyback period the Company had purchased and extinguished a total of 110,519,266 equity shares from the stock exchange at an average buy back price of ₹747/- per equity share comprising 2.53% of the pre buyback paid-up equity share capital of the Company. The buyback resulted in a cash outflow of ₹8,260 crore (excluding transaction costs). The Company funded the buyback from its free reserves.

In accordance with section 69 of the Companies Act, 2013, as at March 31, 2020, the Company has created 'Capital Redemption Reserve' of $8 million equal to the nominal value of the above shares bought back as an appropriation from general reserve.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of March 31, 2020, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements

2.19.2 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

The Company declares and pays dividends in Indian rupees. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

Effective fiscal 2018 the Company's policy was to pay up to 70% of the free cash flow annually by way of dividend and/or buyback.

Effective from fiscal 2020, the company expects to return approximately 85% of the free cash flow cumulatively over a 5-year period through a combination of semi annual dividends and/or share buyback and/or special dividends, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS. Dividend and buyback include applicable taxes.

Amount of per share dividend recognised as distribution to equity shareholders:

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	in ₹	in US Dollars	in ₹	in US Dollars
Final dividend for fiscal 2019	10.50	0.15	-	-
Interim dividend for fiscal 2020	8.00	0.11	-	-
Final dividend for fiscal 2018*	-	-	10.25	0.16
Special dividend for fiscal 2018*	-	-	5.00	0.08
Interim dividend for fiscal 2019*	-	-	7.00	0.10
Special dividend for fiscal 2019	-	-	4.00	0.06

**Dividend per share declared previously, retrospectively adjusted for September 2018 bonus issue*

During the year ended March 31, 2020 on account of the final dividend for fiscal 2019 and interim dividend for fiscal 2020 the Company has incurred a net cash outflow of ₹9,517 crore (approximately $839 million) (excluding dividend paid on treasury shares) inclusive of dividend distribution tax.

The Board of Directors in their meeting on April 20, 2020 recommended a final dividend of `9.50/- per equity share (approximately $0.13 per equity hare) for the financial year ended March 31, 2020. This payment is subject to the approval of shareholders in the Annual General Meeting of the Company. In view of COVID 19 the Company is working on Annual General Meeting date which will be announced by the company in due course. This final dividend if approved by shareholders would result in a net cash outflow of approximately $532 million (excluding dividend paid on treasury shares).

2.19.3 Share capital and share premium

The Company has only one class of shares referred to as equity shares having a par value of ₹5/- each. 1,82,39,356 shares and 2,03,24,982 shares were held by controlled trust, as at March 31, 2020 and March 31, 2019, respectively.

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for and on behalf of the Board of Directors of Infosys Limited

Nandan M. Nilekani *Chairman*	Salil Parekh *Chief Executive Officer and Managing Director*	U. B. Pravin Rao *Chief Operating Officer and Whole-time Director*
D. Sundaram *Director*	Nilanjan Roy *Chief Financial Officer*	A. G. S. Manikantha *Company Secretary*

Bengaluru
April 20, 2020

Deloitte
Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

Report on the Audit of the Interim Consolidated Financial Statements

Opinion

We have audited the accompanying interim consolidated financial statements of **INFOSYS LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Comprehensive Income for the three months and year ended on that date, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "interim consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim consolidated financial statements give a true and fair view in conformity with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as issued by the International Accounting Standards Board ("IASB"), of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit and consolidated total comprehensive income for the three months and year ended on that date, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the interim consolidated financial statements in accordance with the Standards on Auditing ("SA"s) issued by the Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Interim Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the ICAI, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the interim consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the interim consolidated financial statements of the current period. These matters were addressed in the context of our audit of the interim consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	***Fixed price contracts using the percentage of completion method*** Fixed price maintenance revenue is recognized either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or using percentage of completion method when the pattern of benefits from services rendered to the customer and Group's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time has been recognized using the percentage-of-completion method. Use of the percentage-of-completion method requires the Group to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. We identified the estimate of total efforts or efforts to complete fixed price contracts measured using the percentage of completion method as a key audit matter as the estimation of efforts or costs involves significant judgement throughout the period of the contract and is subject to revision as the contract progresses based on the latest available information. This estimate has a high inherent uncertainty and requires consideration of progress of the contract, efforts or costs incurred to-date and estimates of efforts or costs required to complete the remaining contract performance obligations over the lives of the contracts. Refer Notes 1.5(a) and 2.16 to the interim consolidated financial statements.	***Principal Audit Procedures*** Our audit procedures related to estimates of total expected costs or efforts to complete for fixed-price contracts included the following, among others: We tested the effectiveness of controls relating to (1) recording of efforts or costs incurred and estimation of efforts or costs required to complete the remaining contract performance obligations and (2) access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of efforts incurred. We selected a sample of fixed price contracts with customers accounted using percentage-of-completion method and performed the following: • Compared efforts or costs incurred with Group's estimate of efforts or costs incurred to date to identify significant variations and evaluate whether those variations have been considered appropriately in estimating the remaining costs or efforts to complete the contract. • Tested the estimate for consistency with the status of delivery of milestones and customer acceptances and sign off from customers to identify possible delays in achieving milestones, which require changes in estimated costs or efforts to complete the remaining performance obligations.

Sr. No.	Key Audit Matter	Auditor's Response
2	***Allowance for credit losses*** The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. We identified allowance for credit losses as a key audit matter because the Group exercises significant judgment in calculating the expected credit losses. Refer Notes 1.5(h) and 2.3 to the interim consolidated financial statements.	***Principal Audit Procedures*** Our audit procedures related to the allowance for credit losses for trade receivables and unbilled revenue included the following, among others: We tested the effectiveness of controls over the (1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions (2) completeness and accuracy of information used in the estimation of probability of default and (3) computation of the allowance for credit losses. For a sample of customers: We tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information. We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Group.

Emphasis of Matter

As more fully described in Note 2.6 to the interim consolidated financial statements, the Company is responding to inquiries from Indian regulatory. The scope, duration or outcome of these matters are uncertain.

Our opinion is not modified in respect of this matter.

Management's Responsibility for the Interim Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these interim consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with IAS 34 as issued by the IASB. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records for safeguarding assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 interim financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the interim consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the interim consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

4.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Interim Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the interim consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the interim consolidated financial statements, including the disclosures, and whether the interim consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the interim consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the interim consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the interim consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the interim consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the interim consolidated financial statements.



Deloitte
Haskins & Sells LLP

We communicate with those charged with governance of the Company and such other entities included in the interim consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
UDIN:

Place: Mumbai
Date: April 20, 2020

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Financial Statements under International Financial Reporting Standards (IFRS) in Indian Rupee for the three months and year ended March 31, 2020

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Infosys Limited and subsidiaries

(In ₹ crore except equity share data)

Consolidated Balance Sheet as at	Note	March 31, 2020	March 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents	2.1	18,649	19,568
Current investments	2.2	4,655	6,627
Trade receivables		18,487	14,827
Unbilled revenue	2.17	7,121	5,374
Prepayments and other current assets	2.4	5,595	5,723
Income tax assets	2.12	7	423
Derivative financial instruments	2.3	62	336
Total current assets		**54,576**	**52,878**
Non-current assets			
Property, plant and equipment	2.7	13,699	13,356
Right-of-use assets	2.8	4,168	-
Goodwill	2.9	5,286	3,540
Intangible assets		1,900	691
Non-current investments	2.2	4,137	4,634
Deferred income tax assets	2.12	1,744	1,372
Income tax assets	2.12	5,384	6,320
Other non-current assets	2.4	1,874	1,947
Total non-current assets		**38,192**	**31,860**
Total assets		**92,768**	**84,738**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		2,852	1,655
Lease liabilities	2.8	619	-
Derivative financial instruments	2.3	491	15
Current income tax liabilities	2.12	1,490	1,567
Client deposits		18	26
Unearned revenue		2,990	2,809
Employee benefit obligations		1,832	1,619
Provisions	2.6	572	576
Other current liabilities	2.5	9,992	10,371
Total current liabilities		**20,856**	**18,638**
Non-current liabilities			
Lease liabilities	2.8	4,014	-
Deferred income tax liabilities	2.12	968	672
Employee benefit obligations		38	44
Other non-current liabilities	2.5	1,048	378
Total liabilities		**26,924**	**19,732**
Equity			
Share capital - ₹5 par value 4,80,00,00,000 (4,80,00,00,000) equity shares authorized, issued and outstanding 4,24,07,53,210 (4,33,59,54,462) equity shares fully paid up, net of 1,82,39,356 (2,03,24,982) treasury shares as at March 31, 2020 (March 31, 2019)	2.21	2,122	2,170
Share premium		600	396
Retained earnings		57,506	58,848
Cash flow hedge reserves		(15)	21
Other reserves		4,070	2,570
Capital redemption reserve		111	61
Other components of equity		1,056	882
Total equity attributable to equity holders of the Company		**65,450**	**64,948**
Non-controlling interests		394	58
Total equity		**65,844**	**65,006**
Total liabilities and equity		**92,768**	**84,738**

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

U.B. Pravin Rao
Chief Operating Officer and Whole-time Director

Bengaluru
April 20, 2020

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Infosys Limited and subsidiaries

(In ₹ crore except equity share and per equity share data)

Consolidated Statement of Comprehensive Income for the	Note	Three months ended March 31, 2020	Three months ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Revenues	2.16	**23,267**	**21,539**	**90,791**	**82,675**
Cost of sales	2.18	15,501	14,283	60,732	53,867
Gross profit		**7,766**	**7,256**	**30,059**	**28,808**
Operating expenses					
Selling and marketing expenses	2.18	1,172	1,226	4,711	4,473
Administrative expenses	2.18	1,667	1,412	5,974	5,455
Total operating expenses		2,839	2,638	10,685	9,928
Operating profit		**4,927**	**4,618**	**19,374**	**18,880**
Other income, net	2.20	614	665	2,803	2,882
Finance cost	2.8	(45)	-	(170)	-
Reduction in the fair value of Disposal Group held for sale	2.10.1	-	-	-	(270)
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.10.1	-	-	-	(451)
Profit before income taxes		**5,496**	**5,283**	**22,007**	**21,041**
Income tax expense	2.12	1,161	1,205	5,368	5,631
Net profit		**4,335**	**4,078**	**16,639**	**15,410**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		(21)	(3)	(180)	(22)
Equity instruments through other comprehensive income, net		(2)	1	(33)	70
		(23)	(2)	(213)	48
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		-	(15)	(36)	21
Exchange differences on translation of foreign operations		237	(70)	378	63
Fair value changes on investments, net		15	25	22	2
		252	(60)	364	86
Total other comprehensive income/(loss), net of tax		**229**	**(62)**	**151**	**134**
Total comprehensive income		**4,564**	**4,016**	**16,790**	**15,544**
Profit attributable to:					
Owners of the Company		4,321	4,074	16,594	15,404
Non-controlling interests		14	4	45	6
		4,335	**4,078**	**16,639**	**15,410**
Total comprehensive income attributable to:					
Owners of the Company		4,545	4,012	16,732	15,538
Non-controlling interests		19	4	58	6
		4,564	**4,016**	**16,790**	**15,544**
Earnings per equity share					
Equity shares of par value ₹5/- each					
Basic (₹)		10.19	9.37	38.97	35.44
Diluted (₹)		10.18	9.36	38.91	35.38
Weighted average equity shares used in computing earnings per equity share	2.13				
Basic		4,240,181,854	4,347,129,592	4,257,754,522	4,347,130,157
Diluted		4,245,981,386	4,353,023,863	4,265,144,228	4,353,420,772

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar	Nandan M. Nilekani	Salil Parekh	U.B. Pravin Rao
Partner	*Chairman*	*Chief Executive Officer*	*Chief Operating Officer*
Membership No. 39826		*and Managing Director*	*and Whole-time Director*
Bengaluru	D. Sundaram	Nilanjan Roy	A.G.S. Manikantha
April 20, 2020	*Director*	*Chief Financial Officer*	*Company Secretary*

Infosys Limited and subsidiaries

Consolidated Statement of Changes in Equity

(In ₹ crore except equity share data)

	Shares[1]	Share capital	Share premium	Retained earnings	Other reserves[2]	Capital redemption reserve	Other components of equity	Cash flow hedge reserve	Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance as at April 1, 2018	**2,173,312,301**	**1,088**	**186**	**61,241**	**1,583**	**56**	**769**	**-**	**64,923**	**1**	**64,924**
Changes in equity for the year ended March 31, 2019											
Net profit	-	-	-	15,404	-	-	-	-	15,404	6	15,410
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	(22)	-	(22)	-	(22)
Fair value changes on derivatives designated as Cash flow hedge*	-	-	-	-	-	-	-	21	21	-	21
Exchange differences on translation of foreign operations	-	-	-	-	-	-	63	-	63	-	63
Equity instruments through other comprehensive income*	-	-	-	-	-	-	70	-	70	-	70
Fair value changes on investments, net*	-	-	-	-	-	-	2	-	2	-	2
Total comprehensive income for the period	**-**	**-**	**-**	**15,404**	**-**	**-**	**113**	**21**	**15,538**	**6**	**15,544**
Shares issued on exercise of employee stock options - before bonus issue (Refer to note 2.11)	392,528	-	-	-	-	-	-	-	-	-	-
Increase in share capital on account of bonus issue	2,173,704,829	1,088	-	-	-	-	-	-	1,088	-	1,088
Shares issued on exercise of employee stock options - after bonus issue (Refer to note 2.11)	1,196,804	-	6	-	-	-	-	-	6	-	6
Buyback of equity shares (Refer to note 2.5 and 2.21)	(12,652,000)	(6)	-	(1,994)	-	-	-	-	(2,000)	-	(2,000)
Transaction cost relating to buyback* (Refer note 2.21)	-	-	-	(12)	-	-	-	-	(12)	-	(12)
Amount utilized for bonus issue	-	-	-	(1,088)	-	-	-	-	(1,088)	-	(1,088)
Amount transferred to capital redemption reserve upon buyback (Refer to note 2.21)	-	-	-	(5)	-	5	-	-	-	-	-
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	-	-	-	51	51
Employee stock compensation expense (refer to note 2.11)	-	-	197	-	-	-	-	-	197	-	197
Tax effect on exercise of options	-	-	8	-	-	-	-	-	8	-	8
Transfer on account of options not exercised	-	-	(1)	1	-	-	-	-	-	-	-
Transferred to other reserves	-	-	-	(2,417)	2,417	-	-	-	-	-	-
Transferred from other reserves on utilization	-	-	-	1,430	(1,430)	-	-	-	-	-	-
Dividends (including dividend distribution tax)	-	-	-	(13,712)	-	-	-	-	(13,712)	-	(13,712)
Balance as at March 31, 2019	**4,335,954,462**	**2,170**	**396**	**58,848**	**2,570**	**61**	**882**	**21**	**64,948**	**58**	**65,006**

Infosys Limited and subsidiaries

Consolidated Statement of Changes in Equity

(In ₹ crore except equity share data)

	Shares[1]	Share capital	Share premium	Retained earnings	Other reserves[2]	Capital redemption reserve	Other components of equity	Cash flow hedge reserve	Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance as at April 1, 2019	**4,335,954,462**	**2,170**	**396**	**58,848**	**2,570**	**61**	**882**	**21**	**64,948**	**58**	**65,006**
Impact on account of adoption of IFRS 16* (refer to note 2.8)	-	-	-	(40)	-	-	-	-	(40)	-	(40)
	4,335,954,462	**2,170**	**396**	**58,808**	**2,570**	**61**	**882**	**21**	**64,908**	**58**	**64,966**
Changes in equity for the year ended March 31, 2020											
Net profit	-	-	-	16,594	-	-	-	-	16,594	45	16,639
Remeasurement of the net defined benefit liability/asset* (Refer to note 2.19)	-	-	-	-	-	-	(180)	-	(180)	-	(180)
Equity instruments through other comprehensive income*	-	-	-	-	-	-	(33)	-	(33)	-	(33)
Fair value changes on derivatives designated as cash flow hedge*	-	-	-	-	-	-	-	(36)	(36)	-	(36)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	365	-	365	13	378
Fair value changes on investments, net*	-	-	-	-	-	-	22	-	22	-	22
Total comprehensive income for the period	**-**	**-**	**-**	**16,594**	**-**	**-**	**174**	**(36)**	**16,732**	**58**	**16,790**
Shares issued on exercise of employee stock options (Refer to note 2.11)	2,666,014	1	5	-	-	-	-	-	6	-	6
Buyback of equity shares (Refer to note 2.5 and 2.21)	(97,867,266)	(49)	-	(6,211)	-	-	-	-	(6,260)	-	(6,260)
Transaction cost relating to buyback*	-	-	-	(11)	-	-	-	-	(11)	-	(11)
Amount transferred to capital redemption reserve upon buyback (Refer to note 2.21)	-	-	-	(50)	-	50	-	-	-	-	-
Non-controlling interests on acquisition of subsidiary (Refer to note 2.10)	-	-	-	-	-	-	-	-	-	311	311
Employee stock compensation expense (refer to note 2.11)	-	-	238	-	-	-	-	-	238	-	238
Income tax benefit arising on exercise of stock options	-	-	9	-	-	-	-	-	9	-	9
Effect of modification of equity settled share based payment awards to cash settled awards (Refer to note 2.11)	-	-	(48)	(9)	-	-	-	-	(57)	-	(57)
Dividends paid to non controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(33)	(33)
Financial liability under option arrangements (refer to note 2.10)	-	-	-	(598)	-	-	-	-	(598)	-	(598)
Transferred to other reserves	-	-	-	(2,580)	2,580	-	-	-	-	-	-
Transferred from other reserves on utilization	-	-	-	1,080	(1,080)	-	-	-	-	-	-
Dividends (including dividend distribution tax)	-	-	-	(9,517)	-	-	-	-	(9,517)	-	(9,517)
Balance as at March 31, 2020	**4,240,753,210**	**2,122**	**600**	**57,506**	**4,070**	**111**	**1,056**	**(15)**	**65,450**	**394**	**65,844**

** net of tax*

[1] excludes treasury shares of 1,82,39,356 as at March 31, 2020, 20,324,982 as at April 1, 2019 and 10,801,956 as at April 1, 2018, held by consolidated trust. The treasury shares as at April 1, 2018 have not been adjusted for the September 2018 bonus issue.

[2] Represents the Special Economic Zone Re-investment reserve created out of the profit of the eligible SEZ unit in terms of the provisions of Sec 10AA(1)(ii) of Income Tax Act,1961. The reserve should be utilized by the Group for acquiring new plant and machinery for the purpose of its business in terms of the provisions of the Sec 10AA(2) of the Income Tax Act, 1961.

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

As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer
and Managing Director

U.B. Pravin Rao
Chief Operating Officer
and Whole-time Director

Bengaluru
April 20, 2020

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Infosys Limited and subsidiaries

Consolidated Statement of Cash Flows

Accounting Policy

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(In ₹ crore)

Particulars	Note	Year ended March 31, 2020	2019
Operating activities:			
Net Profit		16,639	15,410
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization	2.18	2,893	2,011
Income tax expense	2.12	5,368	5,631
Finance cost	2.8	170	-
Interest and dividend income		(488)	(910)
Effect of exchange rate changes on assets and liabilities		184	66
Impairment loss under expected credit loss model		161	239
Reduction in the fair value of Disposal Group held for sale	2.10.1	-	270
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.10.1	-	451
Stock compensation expense	2.11	249	202
Other adjustments		(131)	(102)
Changes in working capital			
Trade receivables and unbilled revenue		(3,862)	(2,881)
Prepayments and other assets		505	(839)
Trade payables		(373)	916
Client deposits		(15)	(11)
Unearned revenue		148	334
Other liabilities and provisions		1,659	1,889
Cash generated from operations		**23,107**	**22,676**
Income taxes paid		(4,550)	(6,832)
Net cash provided by operating activities		**18,557**	**15,844**
Investing activities:			
Expenditure on property, plant and equipment		(3,307)	(2,445)
Loans to employees		-	14
Deposits placed with corporation		(108)	(24)
Interest and dividend received		375	554
Payment of contingent consideration pertaining to acquisition of business		(6)	(18)
Payment towards acquisition of business, net of cash acquired	2.10	(1,860)	(550)
Advance payment towards acquisition of business		-	(206)
Investment in equity and preference securities		(41)	(21)
Investment in others investments		(29)	(19)
Sale of others investments		-	10
Proceeds from sale of equity and preference securities		27	115
Investment in certificates of deposit		(1,114)	(2,393)
Redemption of certificates of deposit		2,545	5,540
Investment in quoted debt securities		(2,573)	(1,015)
Redemption of quoted debt securities		3,649	862
Redemption of commercial paper		500	300
Investment in commercial paper		-	(491)
Escrow and other deposits pertaining to Buyback		-	(257)
Redemption of escrow pertaining to Buyback	2.4	257	-
Other receipts		46	-
Investment in liquid mutual fund units and fixed maturity plan securities		(34,839)	(78,355)
Redemption of liquid mutual fund units and fixed maturity plan securities		34,685	76,821
Net cash (used)/generated in investing activities		**(1,793)**	**(1,578)**
Financing activities:			
Payment of lease liabilities	2.8	(571)	-
Payment of dividends including corporate dividend tax		(9,515)	(13,705)
Payment of dividends to non-controlling interests of subsidiary		(33)	-
Buyback of equity shares including transaction cost	2.21.2	(7,478)	(813)
Shares issued on exercise of employee stock options		6	6
Net cash used in financing activities		**(17,591)**	**(14,512)**
Effect of exchange rate changes on cash and cash equivalents		(92)	(57)
Net increase/(decrease) in cash and cash equivalents		(827)	(246)
Cash and cash equivalents at the beginning of the period	2.1	19,568	19,871
Cash and cash equivalents at the end of the period	2.1	**18,649**	**19,568**
Supplementary information:			
Restricted cash balance	2.1	396	358

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar
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Nandan M. Nilekani
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Chief Executive Officer and Managing Director

U.B. Pravin Rao
Chief Operating Officer and Whole-time Director

Bengaluru
April 20, 2020

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Notes to the consolidated financial statements

1. Overview

1.1 Company overview

Infosys Limited ('the Company' or Infosys) is a leading provider of consulting, technology, outsourcing and next-generation digital services, enabling clients to execute strategies for their digital transformation. Infosys strategic objective is to build a sustainable organization that remains relevant to the agenda of clients, while creating growth opportunities for employees and generating profitable returns for investors. Infosys strategy is to be a navigator for our clients as they ideate, plan and execute on their journey to a digital future.

Infosys together with its subsidiaries and controlled trusts is herein after referred to as the "Group".

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India. The Company has its primary listings on the BSE Ltd. and National Stock Exchange of India Limited. The Company's American Depositary Shares (ADS) representing equity shares is listed on the New York Stock Exchange (NYSE).

The Group's consolidated financial statements are authorized for issue by the Company's Board of Directors on April 20, 2020.

1.2 Basis of preparation of financial statements

The consolidated financial statements have been prepared in compliance with IAS 34, Interim Financial Reporting as issued by International Accounting Standards Board, under the historical cost convention on the accrual basis except for certain financial instruments which have been measured at fair values. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As the quarter and year figures are taken from the source and rounded to the nearest digits, the quarter figures in this statement added up to the figures reported for the previous quarters might not always add up to the year figures reported in this statement.

1.3 Basis of consolidation

Infosys consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its controlled trusts and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group Companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. The financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are excluded.

1.4 Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the financial statements have been disclosed in Note 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

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

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

1.5 Critical accounting estimates and judgments

a. Revenue recognition

The Group's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgement.

Fixed price maintenance revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed price maintenance contract is recognized ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Group's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of method to recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

The Group uses the percentage-of-completion method in accounting for other fixed-price contracts. Use of the percentage-of-completion method requires the Group to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

b. Income taxes

The Company's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other overseas jurisdictions.

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, 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 income over the periods in which the deferred income tax assets are deductible, management believes that the group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced. (Refer to Note 2.12)

c. Business combinations and intangible assets

Business combinations are accounted for using IFRS 3 (Revised), Business Combinations. IFRS 3 requires us to fair value identifiable intangible assets and contingent consideration to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Estimates are required to be made in determining the value of contingent consideration, value of option arrangements and intangible assets. These valuations are conducted by independent valuation experts. 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 (Refer to Note. 2.10).

d. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. (Refer to Note 2.7).

e. Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGUs) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell. Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises estimated long term growth rates, weighted average cost of capital and estimated operating margins. (Refer to Note no 2.9)

f. Leases

IFRS 16 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 Group 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 Infosys'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 Group has concluded that no changes are required to lease period relating to the existing lease contracts. (Refer to Note no. 2.8)

g. Non-current assets and Disposal groups held for sale

Assets and liabilities of disposal groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the disposal groups have been estimated using valuation techniques including income and market approach which includes unobservable inputs.

Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the Non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the Disposal Group no longer meets the " Held for sale" criteria. Recoverable amounts of assets reclassified from held for sale have been estimated using management's assumptions which consist of significant unobservable inputs.

h. Loss allowance for receivables and unbilled revenue

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

1.6 Recent accounting pronouncements

New and revised IFRS Standards in issue but not yet effective:

Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards
Amendments to IFRS 3	Definition of a Business
Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform

Amendments to References to the Conceptual Framework in IFRS Standards

In March 2018, International Accounting Standards Board (IASB) issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The amendments, where they actually are updates, are effective for annual periods beginning on or after 1 January 2020, with early application permitted.

The Group does not expect that the amendment to have any impact on its consolidated financial statements.

Amendments to IFRS 3 Definition of a business

On October 22, 2018, the International Accounting Standard Board has issued amendments to IFRS 3, 'Business Combinations', in connection with clarification of definition of business, to determine whether an acquisition is a business or a group of assets. The amendment added a concept called "Optional Concentration Test" that makes it easier to conclude that a company has acquired a group of assets rather than a business, if the value of the assets acquired is substantially concentrated in a single asset or group of similar assets. An entity may elect to apply or not to apply this optional concentration test on a transaction by transaction basis.

The amendment will apply to the Company effective April 1, 2020 and has to be applied prospectively. Hence there is no impact on the consolidated financial statement.

Amendments to IAS 1 and IAS 8 Definition of Material

In October 2018, the IASB issued Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to make the definition of material in IAS 1 easier to understand. The amendments are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

The amendments are required to be applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted.

The Group does not expect the amendment to have any material impact on its evaluation of materiality in relation to its financial statements.

Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform

In September 2019, IASB introduced amendments, which modified specific hedge accounting requirements, so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark is not altered as a result of the interest rate benchmark reform.

The changes will mandatorily apply to all hedging relationships that are directly affected by the interest rate benchmark reform.

The Group does not expect the amendment to have any significant impact.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2020, although early adoption is permitted.

2. Notes to the condensed consolidated financial statements

2.1 Cash and cash equivalents

Cash and cash equivalents consist of the following:

(In ₹ crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
Cash and bank deposits	12,288	14,197
Deposits with financial institutions	6,361	5,371
Total Cash and cash equivalents	**18,649**	**19,568**

Cash and cash equivalents as at March 31, 2020 and March 31, 2019 include restricted cash and bank balances of ₹396 crore and ₹358 crore, respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the Company and bank balances held as margin money deposits against guarantees.

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

2.2 Investments

The carrying value of the investments are as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
(i) Current		
Amortised Cost		
Quoted debt securities		
Cost	-	18
Fair Value through profit or loss		
Liquid mutual fund units		
Fair value	2,104	1,786
Fixed Maturity Plan Securities		
Fair value	489	-
Fair Value through other comprehensive income		
Quoted Debt Securities		
Fair value	936	1,846
Commercial paper		
Fair value	-	495
Certificates of deposit		
Fair value	1,126	2,482
Total current investments	**4,655**	**6,627**
(ii) Non-current		
Amortised Cost		
Quoted debt securities		
Cost	1,846	1,893
Fair Value through other comprehensive income		
Quoted debt securities		
Fair value	2,126	2,144
Unquoted equity and preference securities		
Fair value	102	100
Fair Value through profit or loss		
Unquoted Preference securities		
Fair value	9	23
Fixed Maturity Plan Securities		
Fair value	-	458
Others		
Fair value[(1)]	54	16
Total non-current investments	**4,137**	**4,634**
Total investments	**8,792**	**11,261**
Investments carried at amortised cost	1,846	1,911
Investments carried at fair value through other comprehensive income	4,290	7,067
Investments carried at fair value through profit or loss	2,656	2,283

[(1)]Uncalled capital commitments outstanding as at March 31, 2020 and March 31, 2019 was ₹61 crore and ₹86 crore, respectively.

Refer note 2.3 for accounting policies on financial instruments.

Details of amounts recorded in Other comprehensive income : *(In ₹ crore)*

	Year ended March 31, 2020			Year ended March 31, 2019		
	Gross	**Tax**	**Net**	**Gross**	**Tax**	**Net**
Net Gain/(loss) on						
Quoted debt securities	27	(3)	24	6	(1)	5
Certificates of deposit	(4)	2	(2)	(5)	2	(3)
Unquoted equity and preference securities	(27)	(6)	(33)	63	7	70

Method of fair valuation: *(In ₹ crore)*

Class of investment	**Method**	**Fair value as at**	
		March 31, 2020	**March 31, 2019**
Liquid mutual fund units	Quoted price	2,104	1,786
Fixed maturity plan securities	Market observable inputs	489	458
Quoted debt securities- carried at amortized cost	Quoted price and market observable inputs	2,144	2,125
Quoted debt securities- carried at fair value through other comprehensive income	Quoted price and market observable inputs	3,062	3,990
Certificates of deposit	Market observable inputs	1,126	2,482
Commercial paper	Market observable inputs	-	495
Unquoted equity and preference securities - carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model, etc.	102	100
Unquoted equity and preference securities - carried at fair value through profit or loss	Discounted cash flows method, Market multiples method, Option pricing model, etc.	9	23
Others	Discounted cash flows method, Market multiples method, Option pricing model, etc.	54	16
Total		**9,090**	**11,475**

Certain quoted investments are classified as Level 2 in the absence of active market for such investments.

2.3 Financial instruments

Accounting Policy

2.3.1 Initial recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

2.3.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order 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.

(ii) Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it 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. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(iii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration and financial liability under option arrangements recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b. Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(i) Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under IFRS 9, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per IFRS 9, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of comprehensive income when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

(ii) Cash flow hedge

The Group designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of comprehensive income. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of comprehensive income upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the consolidated statement of comprehensive income.

2.3.3 Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IFRS 9. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.3.4 Fair value of financial instruments

In determining the fair value of its financial instruments, the Group 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, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Refer to table 'Financial instruments by category' below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of those instruments.

2.3.5 Impairment

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets and unbilled revenue which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenues 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 recognized is recognized as an impairment gain or loss in consolidated statement of comprehensive income.

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2020 were as follows:

(In ₹ crore)

Particulars	Amortised cost	Financial assets / liabilities at fair value through profit or loss		Financial assets / liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to Note 2.1)	18,649	-	-	-	-	18,649	18,649
Investments (Refer to Note 2.2)							
Liquid mutual fund units	-	-	2,104	-	-	2,104	2,104
Fixed maturity plan securities	-	-	489	-	-	489	489
Quoted debt securities	1,846	-	-	-	3,062	4,908	5,206 [(1)]
Certificates of deposit	-	-	-	-	1,126	1,126	1,126
Unquoted equity and preference securities	-	-	9	102	-	111	111
Unquoted investment others	-	-	54	-	-	54	54
Trade receivables	18,487	-	-	-	-	18,487	18,487
Unbilled revenues [(3)] (Refer to Note 2.17)	2,796	-	-	-	-	2,796	2,796
Prepayments and other assets (Refer to Note 2.4)	3,596	-	-	-	-	3,596	3,514 [(2)]
Derivative financial instruments	-	-	53	-	9	62	62
Total	**45,374**	**-**	**2,709**	**102**	**4,197**	**52,382**	**52,598**
Liabilities:							
Trade payables	2,852	-	-	-	-	2,852	2,852
Lease liabilities	4,633	-	-	-	-	4,633	4,633
Derivative financial instruments	-	-	471	-	20	491	491
Financial liability under option arrangements (Refer to note 2.10)	-	-	621	-	-	621	621
Other liabilities including contingent consideration (Refer to Note 2.5)	7,966	-	340	-	-	8,306	8,306
Total	**15,451**	**-**	**1,432**	**-**	**20**	**16,903**	**16,903**

[(1)] On account of fair value changes including interest accrued

[(2)] Excludes interest accrued on quoted debt securities carried at amortized cost of ₹82 crore

[(3)] Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones

The carrying value and fair value of financial instruments by categories as at March 31, 2019 were as follows:

(In ₹ crore)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to Note 2.1)	19,568	-	-	-	-	19,568	19,568
Investments (Refer to Note 2.2)							
Liquid mutual fund units	-	-	1,786	-	-	1,786	1,786
Fixed maturity plan securities	-	-	458	-	-	458	458
Quoted debt securities	1,911	-	-	-	3,990	5,901	6,115 [(1)]
Certificates of deposit	-	-	-	-	2,482	2,482	2,482
Commercial papers	-	-	-	-	495	495	495
Unquoted equity and preference securities	-	-	23	100	-	123	123
Unquoted investments others	-	-	16	-	-	16	16
Trade receivables	14,827	-	-	-	-	14,827	14,827
Unbilled revenue [(3)](Refer to Note 2.17)	2,093	-	-	-	-	2,093	2,093
Prepayments and other assets (Refer to Note 2.4)	3,648	-	-	-	-	3,648	3,564 [(2)]
Derivative financial instruments	-	-	299	-	37	336	336
Total	**42,047**	**-**	**2,582**	**100**	**7,004**	**51,733**	**51,863**
Liabilities:							
Trade payables	1,655	-	-	-	-	1,655	1,655
Derivative financial instruments	-	-	15	-	-	15	15
Other liabilities including contingent consideration (Refer to Note 2.5)	8,731	-	190	-	-	8,921	8,921
Total	**10,386**	**-**	**205**	**-**	**-**	**10,591**	**10,591**

[(1)] On account of fair value changes including interest accrued

[(2)] Excludes interest accrued on quoted debt securities carried at amortized cost of ₹84 crore.

[(3)] Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2020:

(In ₹ crore)

Particulars	As at March 31, 2020	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer to Note 2.2)	2,104	2,104	-	-
Investments in fixed maturity plan securities (Refer to Note 2.2)	489	-	489	-
Investments in quoted debt securities (Refer to Note 2.2)	5,206	4,678	528	-
Investments in certificates of deposit (Refer to Note 2.2)	1,126	-	1,126	-
Investments in unquoted equity and preference securities (Refer to Note 2.2)	111	-	-	111
Investments in unquoted investments others (Refer to Note 2.2)	54	-	-	54
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts	62	-	62	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts	491	-	491	-
Financial liability under option arrangements (Refer to note 2.10)	621	-	-	621
Liability towards contingent consideration (Refer to Note 2.5)*	340	-	-	340

**Discount rate pertaining to contingent consideration ranges from 8% to 14%*

During the year ended March 31, 2020, quoted debt securities of ₹662 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price and quoted debt securities of ₹50 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2019:

(In ₹ crore)

Particulars	As at March 31, 2019	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer to Note 2.2)	1,786	1,786	-	-
Investments in fixed maturity plan securities (Refer to Note 2.2)	458	-	458	-
Investments in quoted debt securities (Refer to Note 2.2)	6,115	4,358	1,757	-
Investments in certificates of deposit (Refer to Note 2.2)	2,482	-	2,482	-
Investments in commercial papers (Refer to Note 2.2)	495	-	495	-
Investments in unquoted equity and preference securities(Refer to Note 2.2)	123	-	-	123
Investments in unquoted investments others (Refer to Note 2.2)	16	-	-	16
Derivative financial instruments- gain on outstanding foreign exchange forward and option contracts	336	-	336	-
Liabilities				
Derivative financial instruments- loss on outstanding foreign exchange forward and option contracts	15	-	15	-
Liability towards contingent consideration (Refer to Note 2.5)*	190	-	-	190

**Discount rate pertaining to contingent consideration ranges from 9% to 16%*

During the year ended March 31, 2019, quoted debt securities of ₹336 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price and quoted debt securities of ₹746 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets and liabilities does not have a significant impact in its value.

Income from financial assets is as follows :

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Interest income from financial assets carried at amortised cost	327	355	1,289	1,404
Interest income on financial assets fair valued through other comprehensive income	65	142	322	646
Dividend income from investments carried at fair value through profit or loss	-	1	2	2
Gain / (loss) on investments carried at fair value through profit or loss	35	65	183	170
	427	**563**	**1,796**	**2,222**

Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Market risk

The Group operates internationally and a major portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales and services in the United States and elsewhere, and purchases from overseas suppliers in various foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

The following table analyses foreign currency risk from monetary assets and liabilities as at March 31, 2020:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	1,228	507	163	208	1,242	3,348
Trade receivables	11,565	2,331	1,064	652	2,200	17,812
Unbilled revenue	5,371	1,064	314	292	544	7,585
Other assets	754	102	67	38	217	1,178
Trade payables	(764)	(157)	(103)	(74)	(1,453)	(2,551)
Lease liabilities	(1,681)	(988)	(355)	(59)	(496)	(3,579)
Employee benefit obligations	(1,046)	(217)	(38)	(204)	(212)	(1,717)
Other liabilities	(4,040)	(796)	(159)	(268)	(1,348)	(6,611)
Net assets / (liabilities)	**11,387**	**1,846**	**953**	**585**	**694**	**15,465**

The following table analyses foreign currency risk from monetary assets and liabilities as at March 31, 2019:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	1,640	266	110	213	1,113	3,342
Trade receivables	9,950	1,844	1,025	527	971	14,317
Unbilled revenue	3,733	769	251	276	434	5,463
Other assets	456	104	34	34	314	942
Trade payables	(708)	(128)	(139)	(80)	(107)	(1,162)
Employee benefit obligations	(678)	(106)	(25)	(205)	(164)	(1,178)
Other liabilities	(3,523)	(454)	(192)	(177)	(595)	(4,941)
Net assets / (liabilities)	**10,870**	**2,295**	**1,064**	**588**	**1,966**	**16,783**

Sensitivity analysis between Indian rupee and U.S. Dollar

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Impact on Group's incremental operating margins	0.44%	0.45%	0.45%	0.47%

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

Particulars	As at March 31, 2020		As at March 31, 2019	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Option Contracts				
In Australian dollars	110	507	120	588
In Euro	120	993	135	1,049
In United Kingdom Pound Sterling	21	196	25	226
Other derivatives				
Forward contracts				
In Australian dollars	2	9	8	37
In Brazilian Real	57	102	0	0
In Canadian dollars	21	117	13	68
In Chinese Yuan	210	226	-	-
In Euro	191	1,581	176	1,367
In Japanese Yen	-	-	550	34
In New Zealand dollars	16	72	16	75
In Norwegian Krone	40	29	40	32
In Poland złoty	92	165	-	-
In Romanian Leu	20	33	-	-
In South African Rand	-	-	-	-
In Singapore dollars	177	954	140	716
In Swedish Krona	50	37	50	37
In Swiss Franc	1	9	25	172
In U.S. dollars	1,048	7,925	955	6,608
In United Kingdom Pound Sterling	50	469	80	724
Option Contracts				
In Australian dollars	-	-	10	49
In Canadian dollars	-	-	13	69
In Euro	-	-	60	466
In Swiss Franc	-	-	5	35
In U.S. dollars	555	4,196	433	2,995
In United Kingdom Pound Sterling	-	-	10	91
Total forwards & options		**17,620**		**15,438**

The group recognized a net loss of ₹461 crore and ₹447 crore during the three months and year ended March 31, 2020 and a net gain of ₹207 crore and ₹240 crore during the three months and year ended March 31, 2019, respectively, on derivative financial instruments not designated as cash flow hedges which are included in other income.

The foreign exchange forward and option contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as at the balance sheet date:

(In ₹ crore)

Particulars	As at March 31, 2020	March 31, 2019
Not later than one month	5,687	4,432
Later than one month and not later than three months	8,727	6,921
Later than three months and not later than one year	3,206	4,085
Total	**17,620**	**15,438**

During the year ended March 31, 2020 and March 31, 2019, the Group has designated certain foreign exchange forward and option contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedging reserve as at March 31, 2020 are expected to occur and reclassified to statement of comprehensive income within 3 months.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of its forecasted cash flows. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The following table provides the reconciliation of cash flow hedge reserve for the three months and year ended March 31, 2020 and March 31, 2019: *(In ₹ crore)*

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Gain / (Loss)				
Balance at the beginning of the period	(15)	36	21	-
Gain / (loss) recognised in other comprehensive income during the period	30	25	25	118
Amount reclassified to profit and loss during the period	(32)	(45)	(73)	(90)
Tax impact on above	2	5	12	(7)
Balance at the end of the period	**(15)**	**21**	**(15)**	**21**

The Group offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The following table provides quantitative information about offsetting of derivative financial assets and derivative financial liabilities:

(In ₹ crore)

Particulars	As at			
	March 31, 2020		March 31, 2019	
	Derivative	Derivative	Derivative financial	Derivative financial
Gross amount of recognized financial asset/liability	86	(515)	338	(17)
Amount set off	(24)	24	(2)	2
Net amount presented in balance sheet	**62**	**(491)**	**336**	**(15)**

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹18,487 crore and ₹14,827 crore as at March 31, 2020 and March 31, 2019, respectively and unbilled revenue amounting to ₹7,121crore and ₹5,374 crore as at March 31, 2020 and March 31, 2019, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenues from customers primarily located in the United States of America. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. This matrix takes into account available external and internal credit risk information such as CDS spead quotes, ratings from international credit rating agencies and the Group's historical collection experience for customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and there is no single customer contributing more than 10% of outstanding trade receivables and unbilled revenues.

The following table gives details in respect of percentage of revenues generated from top customer and top ten customers:

(In %)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Revenue from top customer	3.1	3.3	3.1	3.6
Revenue from top ten customers	18.7	19.7	19.2	19.0

Credit risk exposure

The allowance of lifetime expected credit loss on customer balances for the three months and year ended March 31, 2020 was ₹72 crore and ₹161 crore, respectively.
The allowance of lifetime expected credit losses for the three months and year ended March 31, 2019 was ₹15 crore and ₹239 crore, respectively

Movement in credit loss allowance:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Balance at the beginning	653	615	627	449
Translation differences	8	(3)	17	12
Impairment loss recognised / (reversed)	72	15	161	239
Write-offs	(28)	-	(100)	(73)
Balance at the end	**705**	**627**	**705**	**627**

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no realistic prospect of recovery.

The Group's credit period generally ranges from 30-60 days.

Credit exposure

(In ₹ crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
Trade receivables	18,487	14,827
Unbilled revenue	7,121	5,374

Days Sales Outstanding (DSO) as of March 31, 2020 and March 31, 2019 was 69 days and 66 days, respectively.

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high ratings assigned by international and domestic credit rating agencies. Ratings are monitored periodically and the Group has considered the latest available credit ratings in view of COVID – 19 as at the date of approval of these condensed consolidated financial statements..

Majority of investments of the Group are fair valued based on Level 1 or Level 2 inputs. These investments primarily include investment in liquid mutual fund units, fixed maturity plan securities, certificates of deposit, commercial papers, quoted bonds issued by government and quasi-government organizations and non convertible debentures. The Group invests after considering counterparty risks based on multiple criteria including Tier I capital, Capital Adequacy Ratio, Credit Rating, Profitability, NPA levels and Deposit base of banks and financial institutions. These risks are monitored regularly as per its risk management program.

Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time.

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group has no outstanding borrowings. The Group believes that the working capital is sufficient to meet its current requirements.

As at March 31, 2020, the Group had a working capital of ₹33,720 crore including cash and cash equivalents of ₹18,469 crore and current investments of ₹4,655 crore. As at March 31, 2019, the Group had a working capital of ₹34,240 crore including cash and cash equivalents of ₹19,568 crore and current investments of ₹6,627 crore.

As at March 31, 2020 and March 31, 2019, the outstanding employee benefit obligations were ₹1,870 crore and ₹1,663 crore, respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2020:

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	2,852	-	-	-	2,852
Other financial liabilities (excluding liability towards contingent consideration) (Refer to Note 2.5)	7,939	22	5	-	7,966
Financial liability under option arrangements	-	-	621	-	621
Liability towards contingent consideration on an undiscounted basis (Refer to Note 2.5)	225	75	67	-	367

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019:

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	1,655	-	-	-	1,655
Other financial liabilities (excluding liability towards contingent consideration) (Refer to Note 2.5)	8,716	11	4	-	8,731
Liability towards contingent consideration on an undiscounted basis (Refer to Note 2.5)	114	83	-	36	233

2.4 Prepayments and other assets

Prepayments and other assets consist of the following:

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Current		
Rental deposits	27	15
Security deposits	8	4
Loans to employees	239	241
Prepaid expenses[(1)]	968	751
Interest accrued and not due	474	905
Withholding taxes and others[(1)]	1,583	1,488
Advance payments to vendors for supply of goods[(1)]	145	109
Deposit with corporations*	1,795	1,671
Deferred contract cost[(1)]	33	58
Escrow and other deposits pertaining to buyback (refer to note 2.21.2)	-	257
Net investment in sublease of right of use asset (refer to note 2.8)	35	-
Other assets [(2)]	288	224
Total Current prepayment and other assets	**5,595**	**5,723**
Non-current		
Loans to employees	21	19
Deposit with corporations*	55	67
Rental deposits	221	193
Security deposits	50	52
Withholding taxes and others[(1)]	777	929
Deferred contract cost[(1)]	101	277
Prepaid expenses[(1)]	87	162
Advance pertaining to business acquisition [(1)]	-	206
Net investment in sublease of right of use asset (refer to note 2.8)	398	-
Prepaid gratuity[(1)]	151	42
Other assets	13	-
Total Non- current prepayment and other assets	**1,874**	**1,947**
Total prepayment and other assets	**7,469**	**7,670**
Financial assets in prepayments and other assets	**3,596**	**3,648**

[(1)] *Non financial assets*

[(2)] *Includes non financial assset of ₹28 crore*

Withholding taxes and others primarily consist of input tax credits and Cenvat recoverable from Government of India. As at March 31, 2020, Cenvat recoverable includes ₹372 crore which are pending adjudication. The Group expects these amounts to be sustainable on adjudication and recoverable on final resolution.

*Deposit with corporations represents amounts deposited to settle certain employee-related obligations as and when they arise during the normal course of business.

2.5 Other liabilities

Other liabilities comprise the following :

(In ₹ crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
Current		
Accrued compensation to employees	2,958	2,572
Accrued expenses	3,921	3,319
Withholding taxes and others[(1)]	1,759	1,487
Retention money	72	112
Liabilities of controlled trusts	188	168
Deferred income - government grant on land use rights[(1)]	2	1
Accrued gratuity [(1)]	3	2
Accrued provident fund liability (refer note 2.19)	64	-
Liability towards contingent consideration	219	102
Deferred rent [(1)]	-	63
Capital Creditors	280	676
Financial liability relating to buyback [(2)]	-	1,202
Other non-financial liabilities	6	-
Other financial liabilities	520	667
Total current other liabilities	**9,992**	**10,371**
Non-current		
Liability towards contingent consideration	121	88
Accrued gratuity [(1)]	28	30
Accrued provident fund liability (refer note 2.19) [(1)]	185	-
Accrued compensation to employees	22	15
Deferred income - government grant on land use rights[(1)]	43	42
Deferred rent [(1)]	-	174
Deferred income[(1)]	21	29
Other financial liabilities	5	-
Other non-financial liabilities[(1)]	2	-
Financial liability under option arrangements (refer to note 2.10)	621	-
Total non-current other liabilities	**1,048**	**378**
Total other liabilities	**11,040**	**10,749**
Financial liabilities included in other liabilities	8,927	8,921
Financial liability towards contingent consideration on an undiscounted basis	367	233

[(1)] Non financial liabilities

[(2)] In accordance with IAS 32 Financial Instruments: Presentation, the Company has recorded a financial liability as at March 31, 2019 for the obligation to acquire its own equity shares to the extent of standing instructions provided to its registered broker for the buyback (refer to note 2.21.2). The financial liability is recognized at the present value of the maximum amount that the Company would be required to pay to the registered broker for buy back, with a corresponding debit in general reserve / retained earnings. The liability has been utilized towards buyback of equity shares which was completed on August 26, 2019.

Accrued expenses primarily relates to cost of technical sub-contractors, telecommunication charges, legal and professional charges, brand building expenses, overseas travel expenses and office maintenance.

2.6 Provisions and other contingent liability

Accounting Policy

Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Post sales client support

The Group provides its clients with a fixed-period post sales support on its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time related revenues are recorded and included in cost of sales. The Group estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Group recognizes any impairment loss on the assets associated with that contract.

Provisions comprise the following:

(In ₹ crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
Provision for post sales client support and other provisions	572	576
	572	**576**

Provision for post sales client support and other provisions represents cost associated with providing post sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of 1 year.

The movement in the provision for post sales client support and other provisions is as follows:

(In ₹ crore)

Particulars	Three months ended March 31, 2020	Year ended March 31, 2020
Balance at the beginning	603	576
Provision recognized / (reversed)	1	116
Provision utilized	(66)	(174)
Translation difference	34	54
Balance at the end	**572**	**572**

Provision for post sales client support and other provisions is included in cost of sales in the consolidated statement of comprehensive income.

As at March 31, 2020 and March 31, 2019 claims against the Group, not acknowledged as debts, (excluding demands from income tax authorities- Refer to Note 2.12) amounted to ₹230 crore each.

The Audit Committee appointed an external legal counsel to conduct an independent investigation into the whistleblower allegations which have been previously disclosed to stock exchanges on October 22, 2019 and to the Securities and Exchange Commission (SEC) on Form 6-K on the same date. As previously disclosed on January 10, 2020 the outcome of the investigation has not resulted in restatement of previously issued financial statements.

The Company cooperated with an investigation by the SEC regarding the same matters. In March 2020, the Company received notification from the SEC that the SEC has concluded its investigation and the Company does not anticipate any further action by the SEC on this matter. The Company is responding to all the inquires received from the Indian regulatory authorities and will continue to cooperate with the authorities for any additional requests for information. Additionally, in October 2019, a shareholder class action lawsuit was filed in the United States District Court for the Eastern District of New York against the Company and certain of its current and former officers for alleged violations of the US federal securities laws. The Company is presently unable to predict the scope, duration or the outcome of these matters.

The Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group's management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Group's results of operations or financial condition.

2.7 Property, plant and equipment

Accounting Policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building	22-25 years
Plant and machinery[(1)]	5 years
Computer equipment	3-5 years
Furniture and fixtures	5 years
Vehicles	5 years
Leasehold improvements	Lower of useful life of the asset or lease term

[(1)] Includes solar plant with a useful life of 20 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the consolidated statement of comprehensive income when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in net profit in the consolidated statement of comprehensive income.

Impairment

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 recognized in net profit in the statement of comprehensive income 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 net profit in the statement of comprehensive income 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 depreciation) had no impairment loss been recognized for the asset in prior years.

Following are the changes in the carrying value of property, plant and equipment for the three months ended March 31, 2020:

(In ₹ crore)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at January 1, 2020	**1,314**	**9,460**	**4,509**	**6,513**	**2,752**	**43**	**24,591**
Additions	2	524	192	192	144	1	1,055
Additions - Business combinations (Refer to Note 2.10)	-	-	1	2	5	-	8
Deletions	-	-	(5)	(38)	(22)	-	(65)
Translation difference	-	32	4	7	8	1	52
Gross carrying value as at March 31, 2020	**1,316**	**10,016**	**4,701**	**6,676**	**2,887**	**45**	**25,641**
Accumulated depreciation as at January 1, 2020	**-**	**(3,190)**	**(3,041)**	**(4,711)**	**(1,774)**	**(26)**	**(12,742)**
Depreciation	-	(91)	(123)	(209)	(92)	(2)	(517)
Accumulated depreciation on deletions	-	-	5	38	22	-	65
Translation difference	-	(3)	(2)	(3)	(4)	-	(12)
Accumulated depreciation as at March 31, 2020	**-**	**(3,284)**	**(3,161)**	**(4,885)**	**(1,848)**	**(28)**	**(13,206)**
Capital work-in progress as at January 1, 2020							1,689
Carrying value as at January 1, 2020	**1,314**	**6,270**	**1,468**	**1,802**	**978**	**17**	**13,538**
Capital work-in progress as at March 31, 2020							1,264
Carrying value as at March 31, 2020	**1,316**	**6,732**	**1,540**	**1,791**	**1,039**	**17**	**13,699**

Following are the changes in the carrying value of property, plant and equipment for the three months ended March 31, 2019:

(In ₹ crore)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at January 1, 2019	**1,957**	**8,633**	**3,609**	**5,516**	**2,040**	**35**	**21,790**
Additions	36	402	427	453	215	3	1,536
Additions- Business combinations (Refer note 2.10)	-	-	-	-	-	-	-
Deletions	(83)	(116)	(86)	(122)	(32)	-	(439)
Translation difference	-	7	1	(1)	(3)	-	4
Gross carrying value as at March 31, 2019	**1,910**	**8,926**	**3,951**	**5,846**	**2,220**	**38**	**22,891**
Accumulated depreciation as at January 1, 2019	**(35)**	**(2,948)**	**(2,655)**	**(4,101)**	**(1,503)**	**(21)**	**(11,263)**
Depreciation	(1)	(81)	(110)	(212)	(68)	(2)	(474)
Accumulated depreciation on deletions	3	103	68	122	29	-	325
Translation difference	-	(1)	-	(1)	1	1	-
Accumulated depreciation as at March 31, 2019	**(33)**	**(2,927)**	**(2,697)**	**(4,192)**	**(1,541)**	**(22)**	**(11,412)**
Capital work-in progress as at January 1, 2019							2,153
Carrying value as at January 1, 2019	**1,922**	**5,685**	**954**	**1,415**	**537**	**14**	**12,680**
Capital work-in progress as at March 31, 2019							1,877
Carrying value as at March 31, 2019	**1,877**	**5,999**	**1,254**	**1,654**	**679**	**16**	**13,356**

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2020:

(In ₹ crore)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2019	**1,910**	**8,926**	**3,951**	**5,846**	**2,220**	**38**	**22,891**
Additions	11	1,056	756	930	677	7	3,437
Additions - Business combinations (Refer to Note 2.10)	-	-	1	62	15	-	78
Deletions	-	-	(14)	(179)	(39)	(1)	(233)
Reclassified on account of adoption of IFRS 16 (Refer note 2.8)	(605)	-	-	-	-	-	(605)
Translation difference	-	34	7	17	14	1	73
Gross carrying value as at March 31, 2020	**1,316**	**10,016**	**4,701**	**6,676**	**2,887**	**45**	**25,641**
Accumulated depreciation as at April 1, 2019	**(33)**	**(2,927)**	**(2,697)**	**(4,192)**	**(1,541)**	**(22)**	**(11,412)**
Depreciation	-	(353)	(476)	(862)	(337)	(7)	(2,035)
Accumulated depreciation on deletions	-	-	14	178	39	1	232
Reclassified on account of adoption of IFRS 16 (Refer note 2.8)	33	-	-	-	-	-	33
Translation difference	-	(4)	(2)	(9)	(9)	-	(24)
Accumulated depreciation as at March 31, 2020	**-**	**(3,284)**	**(3,161)**	**(4,885)**	**(1,848)**	**(28)**	**(13,206)**
Capital work-in progress as at April 1, 2019							1,877
Carrying value as at April 1, 2019	**1,877**	**5,999**	**1,254**	**1,654**	**679**	**16**	**13,356**
Capital work-in progress as at March 31, 2020							1,264
Carrying value as at March 31, 2020	**1,316**	**6,732**	**1,540**	**1,791**	**1,039**	**17**	**13,699**

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2019:

(In ₹ crore)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2018	**1,900**	**8,130**	**3,373**	**4,884**	**1,861**	**31**	**20,179**
Additions	57	916	675	1,129	386	9	3,172
Additions- Business combinations (Refer note 2.10)	-	-	3	34	10	-	47
Deletions	-	-	3	40	25	-	68
Reclassified as held for sale (refer note no 2.10.1)	(47)	(116)	(102)	(239)	(59)	(2)	(565)
Translation difference	-	(4)	(1)	(2)	(3)	-	(10)
Gross carrying value as at March 31, 2019	**1,910**	**8,926**	**3,951**	**5,846**	**2,220**	**38**	**22,891**
Accumulated depreciation as at April 1, 2018	**(31)**	**(2,719)**	**(2,342)**	**(3,630)**	**(1,323)**	**(18)**	**(10,063)**
Depreciation	(5)	(313)	(437)	(766)	(255)	(6)	(1,782)
Accumulated depreciation on deletions	-	-	(2)	(25)	(20)	-	(47)
Reclassified as held for sale (refer note no 2.10.1)	3	103	83	229	55	2	475
Translation difference	-	2	1	-	2	-	5
Accumulated depreciation as at March 31, 2019	**(33)**	**(2,927)**	**(2,697)**	**(4,192)**	**(1,541)**	**(22)**	**(11,412)**
Capital work-in progress as at April 1, 2018							2,027
Carrying value as at April 1, 2018	**1,869**	**5,411**	**1,031**	**1,254**	**538**	**13**	**12,143**
Capital work-in progress as at March 31, 2019							1,877
Carrying value as at March 31, 2019	**1,877**	**5,999**	**1,254**	**1,654**	**679**	**16**	**13,356**

The aggregate depreciation expense is included in cost of sales in the consolidated statement of comprehensive income.

The contractual commitments for capital expenditure primarily comprises of commitments for infrastructure facilities and computer equipment's aggregating to ₹1,365 crore and ₹1,724 crore as at March 31, 2020 and March 31, 2019, respectively.

2.8 Leases

Accounting Policy

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The group 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 group assesses whether: (1) the contract involves the use of an identified asset (2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 year or less (short-term leases) and low value leases. For these short-term and low value leases, the Group 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 the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

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

The Group as a lessor

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

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease 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.

Transition

Effective April 1, 2019, the Group adopted IFRS 16 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included in the Company's 2019 Consolidated financial statements under IFRS for the year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹2,907 crore, 'Net investment in sub-lease' of ROU asset of ₹430 crore and a lease liability of ₹3,598 crore. The cumulative effect of applying the standard, amounting to ₹40 crore was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the operating profit, net profit for the period and earnings per share. IFRS 16 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, IFRS 16 is applied only to contracts that were previously identified as leases under IAS 17.

The difference between the lease obligation recorded as at March 31, 2019 under IAS 17 disclosed under Note 2.15 of the 2019 Annual Report on Form 20F and the value of the lease liabilities as at April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with IFRS 16 and discounting the lease liabilities to the present value under IFRS 16.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 4.5%

Following are the changes in the carrying value of right of use assets for the three months ended March 31, 2020:

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of January 1, 2020	625	3,169	18	42	**3,854**
Additions*	1	478	-	1	480
Deletions	-	(23)	(1)	-	(24)
Depreciation	(1)	(149)	(2)	(2)	(154)
Translation difference	1	10	-	1	12
Balance as of March 31, 2020	**626**	**3,485**	**15**	**42**	**4,168**

**Net of lease incentives of ₹ 47 crore related to lease of buildings*

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as at April 1, 2019	-	2,898	9	-	**2,907**
Reclassified on account of adoption of IFRS 16	634	-	-	-	634
Additions*	1	1,064	6	49	1,120
Additions through business combination (Refer to Note 2.10)	-	177	10	-	187
Deletions	(3)	(130)	(1)	-	(134)
Depreciation	(6)	(540)	(9)	(8)	(563)
Translation difference	-	16	-	1	17
Balance as at March 31, 2020	**626**	**3,485**	**15**	**42**	**4,168**

**Net of lease incentives of ₹ 115 crore related to lease of buildings*

The aggregate depreciation expense on ROU assets is included in cost of sales in the consolidated statement of comprehensive income.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

(In ₹ crore)

Particulars	Amount
Current lease liabilities	619
Non-current lease liabilities	4,014
Total	**4,633**

The following is the movement in lease liabilities during the three months and year ended March 31, 2020:

(In ₹ crore)

Particulars	Three months ended March 31, 2020	Year ended March 31, 2020
Balance as at Beginning	**4,143**	**3,598**
Additions	575	1,241
Additions through business combination (Refer to Note 2.10)	-	224
Deletions	(29)	(145)
Finance cost accrued during the period	45	170
Payment of lease liabilities	(208)	(639)
Translation difference	107	184
Balance as at end	**4,633**	**4,633**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

(In ₹ crore)

Particulars	Amount
Less than one year	796
One to five years	2,599
More than five years	2,075
Total	**5,470**

The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due

Rental expense recorded for short-term leases was ₹24 crore and ₹89 crore for the three months and year ended March 31, 2020.

The following is the movement in the net-investment in sub-lease of ROU asset during the three months and year ended March 31, 2020:

(In ₹ crore)

Particulars	Three months ended March 31, 2020	Year ended March 31, 2020
Balance as at Beginning	**417**	**430**
Interest income accrued during the period	4	15
Lease receipts	(12)	(46)
Translation difference	24	34
Balance as at end	**433**	**433**

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset as at March 31, 2020 on an undiscounted basis:

(In ₹ crore)

Particulars	Amount
Less than one year	50
One to five years	217
More than five years	244
Total	**511**

Leases not yet commenced to which Group is committed amounts to ₹655 crore for a lease term ranging from 2 years to 13 years.

2.9 Goodwill and other Intangible assets

2.9.1 Goodwill
Accounting Policy

Goodwill represents the purchase consideration in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the purchase consideration, the fair value of net assets acquired is reassessed and the bargain purchase excess is recognized immediately in the net profit in the Statement of Comprehensive Income. Goodwill is measured at cost less accumulated impairment losses.

Impairment
Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGU's which benefit from the synergies of the acquisition. 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 recognized in net profit in the Statement of Comprehensive Income and is not reversed in the subsequent period.

Following is a summary of changes in the carrying amount of goodwill:

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Carrying value at the beginning	**3,540**	**2,211**
Goodwill on Wongdoody acquisition	-	173
Goodwill on Fluido acquisition	-	240
Goodwill reclassified from assets held for sale , net of reduction in recoverable amount	-	863
Goodwill on Stater acquisition (Refer to note 2.10)	399	-
Goodwill on Hipus acquisition (Refer to note 2.10)	108	-
Goodwill on Simplus acquisition (Refer to note 2.10)	983	-
Translation differences	256	53
Carrying value at the end	**5,286**	**3,540**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or groups of CGU's, which benefit from the synergies of the acquisition.The Group internally reviews the goodwill for impairment at the operating segment level, after allocation of the goodwill to CGU's or groups of CGUs.

The following table presents the allocation of goodwill to operating segments as at March 31, 2020 and March 31, 2019 respectively :

(In ₹ crore)

Segment	As at	
	March 31, 2020	**March 31, 2019**
Financial services	1,262	743
Retail	500	437
Communication	472	389
Energy, Utilities, Resources and Services	886	374
Manufacturing	378	239
	3,498	2,182
Operating segments without significant goodwill	766	417
Total	**4,264**	**2,599**

Consequent to reclassification from held for sale (refer note 2.10.2), the goodwill pertaining to Panaya, Kallidus and Skava are tested for impairment at the respective entity level, which amounts to ₹1,022 crore and ₹941 crore as at March 31, 2020 and March 31, 2019, respectively.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. Value-in-use is determined based on discounted future cash flows. The key assumptions used for the calculations are as follows:

(in %)

	As at	
	March 31, 2020	**March 31, 2019**
Long term growth rate	7-10	8-10
Operating margins	17-20	17-20
Discount rate	11.9	12.5

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. As at March 31, 2020, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in the key assumptions consequent to the change in estimated future economic conditions on account of possible effects relating to Covid 19 is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating unit.

2.9.2 Other intangible assets

Accounting Policy

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

Impairment

Intangible 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 CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in net profit in the statement of comprehensive income 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 net profit in the statement of comprehensive income 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) had no impairment loss been recognized for the asset in prior years.

Following are the changes in the carrying value of acquired intangible assets for the three months ended March 31, 2020:

(In ₹ crore)

Particulars	**Customer related**	**Software related**	**Intellectual property rights related**	**Brand or Trademark Related**	**Others***	**Total**
Gross carrying value as at January 1, 2020	**1,661**	**642**	**1**	**126**	**84**	**2,514**
Additions during the period	-	21	-	-	-	21
Acquisition through business combination (Refer note no. 2.10.1)	152	-	-	111	325	588
Deletions	-	-	-	-	-	-
Translation differences	65	34	-	4	2	105
Gross carrying value as at March 31, 2020	**1,878**	**697**	**1**	**241**	**411**	**3,228**
Accumulated amortization as at January 1, 2020	**(685)**	**(402)**	**(1)**	**(59)**	**(46)**	**(1,193)**
Amortization expense	(40)	(23)	-	(5)	(10)	(78)
Deletions	-	-	-	-	-	-
Translation differences	(30)	(25)	-	(2)	-	(57)
Accumulated amortization as at March 31, 2020	**(755)**	**(450)**	**(1)**	**(66)**	**(56)**	**(1,328)**
Carrying value as at January 1, 2020	**976**	**240**	-	**67**	**38**	**1,321**
Carrying value as at March 31, 2020	**1,123**	**247**	-	**175**	**355**	**1,900**
Estimated Useful Life *(in years)*	1-15	3-10	-	5-10	3-5	
Estimated Remaining Useful Life *(in years)*	0-14	0-9	-	1-10	1-5	

Following are the changes in the carrying value of acquired intangible assets for the three months ended March 31, 2019:

(In ₹ crore)

Particulars	Customer related	Software related	Intellectual property rights related	Land use-rights related	Brand or Trademark Related	Others*	Total
Gross carrying value as at January 1, 2019	**950**	**446**	**1**	**72**	**100**	**84**	**1,653**
Additions during the period	-	-	-		-	-	-
Acquisition through business combination (Refer note no. 2.10.1)	-	-	-	-	-	-	-
Deletions	-	-	-		-	-	-
Translation differences	(13)	(5)	-	1	(1)	(1)	(19)
Gross carrying value as at March 31, 2019	**937**	**441**	**1**	**73**	**99**	**83**	**1,634**
Accumulated amortization as at January 1, 2019	**(538)**	**(283)**	**(1)**	**(11)**	**(42)**	**(22)**	**(897)**
Amortization expense	(25)	(22)	-	(1)	(3)	(6)	(57)
Deletions	-	-	-	-	-	-	-
Translation differences	6	3	-	1	1	-	11
Accumulated amortization as at March 31, 2019	**(557)**	**(302)**	**(1)**	**(11)**	**(44)**	**(28)**	**(943)**
Carrying value as at January 1, 2019	**412**	**163**	**-**	**61**	**58**	**62**	**756**
Carrying value as at March 31, 2019	**380**	**139**	**-**	**62**	**55**	**55**	**691**
Estimated Useful Life *(in years)*	1-10	3-8	-	50	5-10	3-5	
Estimated Remaining Useful Life *(in years)*	0-7	1	-	43	2-8	2-3	

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2020:

(In ₹ crore)

Particulars	Customer related	Software related	Intellectual property rights related	Land use-rights related	Brand or Trademark Related	Others*	Total
Gross carrying value as at April 1, 2019	**937**	**441**	**1**	**73**	**99**	**83**	**1,634**
Additions during the period	-	86	-	-	-	-	86
Acquisition through business combination (Refer note no. 2.10.1)	817	110	-	-	135	325	1,387
Reclassified on account of adoption of IFRS 16	-	-	-	(73)	-	-	(73)
Deletions	-	-	-	-	-	-	-
Translation differences	124	60	-	-	7	3	194
Gross carrying value as at March 31, 2020	**1,878**	**697**	**1**	-	**241**	**411**	**3,228**
Accumulated amortization as at April 1, 2019	**(557)**	**(302)**	**(1)**	**(11)**	**(44)**	**(28)**	**(943)**
Amortization expense	(146)	(105)	-	-	(17)	(27)	(295)
Reclassified on account of adoption of IFRS 16	-	-	-	11	-	-	11
Deletions	-	-	-	-	-	-	-
Translation differences	(52)	(43)	-	-	(5)	(1)	(101)
Accumulated amortization as at March 31, 2020	**(755)**	**(450)**	**(1)**	-	**(66)**	**(56)**	**(1,328)**
Carrying value as at April 1, 2019	**380**	**139**	**-**	**62**	**55**	**55**	**691**
Carrying value as at March 31, 2020	**1,123**	**247**	**-**	-	**175**	**355**	**1,900**
Estimated Useful Life *(in years)*	1-15	3-10	-	-	5-10	3-5	
Estimated Remaining Useful Life *(in years)*	0-14	0-9	-	-	1-10	1-5	

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2019:

(In ₹ crore)

Particulars	Customer related	Software related	Intellectual property rights related	Land use-rights related	Brand or Trademark Related	Others	Total
Gross carrying value as at April 1, 2018	**445**	**19**	**-**	**73**	**26**	**27**	**590**
Additions during the period	-	9	-	-	-	-	9
Acquisition through business combination (Refer note no. 2.10.1)	334	-	-	-	36	62	432
Deletions	-	-	-	-	-	-	-
Reclassified as held for sale (refer note no 2.10.2)	157	388	1	-	37	-	583
Translation differences	1	25	-	-	-	(6)	20
Gross carrying value as at March 31, 2019	**937**	**441**	**1**	**73**	**99**	**83**	**1,634**
Accumulated amortization as at April 1, 2018	**(289)**	**(19)**	**-**	**(10)**	**(12)**	**(13)**	**(343)**
Amortization expense	(112)	(90)	-	(2)	(10)	(15)	(229)
Reduction in value	(93)	-	-	-	-	-	(93)
Deletions	-	-	-	-	-	-	-
Reclassified as held for sale (refer note no 2.10.2)	(56)	(182)	(1)	-	(21)	-	(260)
Translation differences	(7)	(11)	-	1	(1)	-	(18)
Accumulated amortization as at March 31, 2019	**(557)**	**(302)**	**(1)**	**(11)**	**(44)**	**(28)**	**(943)**
Carrying value as at April 1, 2018	**156**	-	-	**63**	**14**	**14**	**247**
Carrying value as at March 31, 2019	**380**	**139**	**-**	**62**	**55**	**55**	**691**
Estimated Useful Life *(in years)*	1-10	3-8	-	50	5-10	3-5	
Estimated Remaining Useful Life *(in years)*	0-7	1	-	43	2-8	2-3	

** Majorly includes intangibles related to salesforce relationships*

Research and development expense recognized in net profit in the consolidated statement of comprehensive income for the three months ended March 31, 2020 and March 31, 2019 was ₹209 crore and ₹196 crore respectively, and for the year ended March 31, 2020 and March 31, 2019 was ₹829 crore and ₹769 crore respectively.

2.10 BUSINESS COMBINATIONS AND DISPOSAL GROUP HELD FOR SALE

2.10.1 Business combinations

Accounting policy

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognized in the Statement of Comprehensive Income.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

The payments related to options issued by the Group over the non-controlling interests in its subsidiaries are accounted as financial liabilities and initially recognized at the estimated present value of gross obligations. Such options are subsequently measured at fair value in order to reflect the amount payable under the option at the date at which it becomes exercisable. In the event that the option expires unexercised, the liability is derecognised.

Business combinations between entities under common control is accounted for at carrying value of the assets and liabilities in the Group's consolidated financial statements.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Wongdoody Holding Company Inc

On May 22, 2018, Infosys acquired 100% of the voting interests in WongDoody Holding Company Inc., (WongDoody) an US-based, full-service creative and consumer insights agency. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of up to $75 million (approximately ₹514 crore on acquisition date), which includes a cash consideration of $38 million (approximately ₹261 crore), contingent consideration of up to $28 million (approximately ₹192 crore on acquisition date) and an additional consideration of up to $9 million (approximately ₹61 crore on acquisition date), referred to as retention bonus, payable to the employees of WongDoody over the next three years, subject to their continuous employment with the group. Retention bonus is recognized in employee benefit expenses in the statement of Comprehensive Income over the period of service.

WongDoody, brings to Infosys the creative talent and marketing and brand engagement expertise. Further the acquisition is expected to strengthen Infosys' creative, branding and customer experience capabilities to bring innovative thinking, talent and creativity to clients.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets[*]	37	-	37
Intangible assets - customer relationships	-	132	132
Intangible assets - trade name	-	8	8
	37	140	177
Goodwill			173
Total purchase price			**350**

** Includes cash and cash equivalents acquired of ₹51 crore.*

Goodwill is tax deductible

The fair value of each major class of consideration as at the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash consideration	261
Fair value of contingent consideration	89
Total purchase price	**350**

The gross amount of trade receivables acquired and its fair value is ₹12 crore and the amount has been fully collected.

The payment of contingent consideration to sellers of WongDoody is dependent upon the achievement of certain financial targets by WongDoody. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 16% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as at March 31, 2020 is $19 million (₹145 crore).

The transaction costs of ₹3 crore related to the acquisition have been included in the statement of Comprehensive Income for the year ended March 31, 2019.

Infosys Compaz Pte Limited (formerly Trusted Source Pte Ltd)

On November 16, 2018, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 60% stake in Infosys Compaz Pte. Ltd, a Singapore based IT services company. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of up to SGD 17 million (approximately ₹91 crore on acquisition date), which includes a cash consideration of SGD 10 million (approximately ₹54 crore) and a contingent consideration of up to SGD 7 million (approximately ₹37 crore on acquisition date).

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets[*]	92	-	92
Intangible assets - Customer contracts and relationships	-	44	44
Deferred tax liabilities on intangible assets	-	(7)	(7)
	92	**37**	**129**
Non-controlling interests			(51)
Total purchase price			**78**

** Includes cash and cash equivalents acquired of ₹65 crore.*

The fair value of each major class of consideration as at the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash consideration	54
Fair value of contingent consideration	24
Total purchase price	**78**

The gross amount of trade receivables acquired and its fair value is ₹50 crore and the amount has been substantially collected.

The payment of contingent consideration to sellers of Infosys Compaz Pte. Ltd is dependent upon the achievement of certain revenue targets by Infosys Compaz Pte. Ltd. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 9% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as at March 31, 2020 is SGD 7 million (₹37 crore).

The transaction costs of ₹3 crore related to the acquisition have been included in the statement of Comprehensive Income for the year ended March 31, 2019.

Fluido Oy

On October 11, 2018, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 100% of voting interests in Fluido Oy (Fluido), a Nordic-based salesforce advisor and consulting partner in cloud consulting, implementation and training services for a total consideration of upto Euro 65 million (approximately ₹560 crore), comprising of cash consideration of Euro 45 million (approximately ₹388 crore), contingent consideration of upto Euro 12 million (approximately ₹103 crore) and retention payouts of upto Euro 8 million (approximately ₹69 crore), payable to the employees of Fluido over the next three years, subject to their continuous employment with the group.

Fluido brings to Infosys the Salesforce expertise, alongside an agile delivery process that simplifies and scales digital efforts across channels and touchpoints. Further, Fluido strengthens Infosys' presence across the Nordics region with developed assets and client relationships. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets[*]	12	-	12
Intangible assets - Customer contracts and relationships	-	158	158
Intangible assets - Salesforce Relationships	-	62	62
Intangible assets - Brand	-	28	28
Deferred tax liabilities on intangible assets	-	(52)	(52)
	12	**196**	**208**
Goodwill			240
Total purchase price			**448**

** Includes cash and cash equivalents acquired of ₹28 crore.*

Goodwill is not tax deductible

The fair value of each major class of consideration as of the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash consideration	388
Fair value of contingent consideration	60
Total purchase price	**448**

The gross amount of trade receivables acquired and its fair value is ₹27 crore and the amount has been fully collected.

The payment of contingent consideration to sellers of Fluido is dependent upon the achievement of certain financial targets by Fluido. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 16% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as at March 31, 2020 was EUR 9 million (₹73 crore).

The transaction costs of ₹5 crore related to the acquisition have been included in the Consolidated Statement of Comprehensive Income for the year ended March 31, 2019.

HIPUS Co., Ltd (formerly, Hitachi Procurement Service Co. Ltd)

On April 1, 2019, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 81% of voting interests in HIPUS Co., Limited, a wholly owned subsidiary of Hitachi Ltd, Japan for a total cash consideration of JPY 3.29 billion (approximately ₹206 crore). The company has recorded a financial liability for the estimated present value of its gross obligation to purchase the Non-controlling interest as of the acquisition date in accordance with the share purchase agreement with a corresponding adjustment to equity (refer to note 2.12).

HIPUS handles indirect materials purchasing functions for the Hitachi Group. The entity is expected to provide end-to-end procurement capabilities, through its procurement function expertise, localized team and BPM networks in Japan. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets[*]	41	-	41
Intangible assets - Customer contracts and relationships	-	116	116
Deferred tax liabilities on intangible assets	-	(36)	(36)
	41	**80**	**121**
Goodwill			108
Less: Non-controlling Interest			(23)
Total purchase price			**206**

** Includes cash and cash equivalents acquired of ₹179 crore.*

Goodwill is not tax deductible

The gross amount of trade receivables acquired and its fair value is ₹1,400 crore and the amount has been fully collected. Trade payables as on the acquisition date amounted to ₹1,508 crore.

The transaction costs of ₹8 crore related to the acquisition have been included under administrative expenses in the statement of Comprehensive Income for the year ended March 31, 2019.

Stater N.V.

On May 23, 2019, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 75% of voting interests in Stater N.V (Stater), a wholly-owned subsidiary of ABN AMRO Bank N.V., Netherland, for a total cash consideration of Euro 154 million (approximately ₹1,195 crore). The company has recorded a financial liability for the estimated present value of its gross obligation to purchase the Non-controlling interest as of the acquisition date in accordance with the share purchase agreement with a corresponding adjustment to equity (refer to note 2.12)

Stater brings European mortgage expertise and a robust digital platform to drive superior customer experience. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets[*]	541	-	541
Intangible assets - Customer contracts and relationships	-	549	549
Intangible assets - Technology	-	110	110
Intangible assets - Brand	-	24	24
Deferred tax liabilities on intangible assets	-	(140)	(140)
	541	**543**	**1,084**
Goodwill			399
Less: Non controlling interest			(288)
Total purchase price			**1,195**

** Includes cash and cash equivalents acquired of ₹505 crore.*

Goodwill is not tax deductible

The gross amount of trade receivables acquired and its fair value is ₹78 crore and the amount is substantially collected.

The transaction costs of ₹5 crore related to the acquisition have been included under administrative expenses in the consolidated statement of comprehensive income for the year ended March 31, 2020.

Outbox systems Inc. dba Simplus

On March 13, 2020, Infosys Nova Holdings LLC (a wholly owned subsidiary of Infosys Limited) acquired 100% of voting interests in Outbox systems Inc. dba Simplus , a US based sales force advisor and consulting partner in cloud consulting, implementation and training services for a total consideration of up to $250 million (approximately ₹1,892 crore), comprising of cash consideration of $180 million (approximately ₹1,362 crore), contingent consideration of up to $20 million (approximately ₹151 crore), additional performance bonus and retention payouts of upto $50 million (approximately ₹378 crore) payable to the employees of Simplus over the next three years, subject to their continuous employment with the group and meeting certain targets. Performance and retention bonus is recognized in employee benefit expenses in the Statement of Comprehensive Income over the period of service.

Simplus brings to Infosys globally recognized Salesforce expertise, industry knowledge, solution assets, deep ecosystem relationships and a broad clientele, across a variety of industries. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill. Goodwill includes the value expected from addition of new customers and estimated synergies which does not qualify as an intangible asset.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets[*]	22	-	22
Intangible assets - Customer contracts and relationships	-	152	152
Intangible assets - Salesforce Relationships	-	325	325
Intangible assets - Brand	-	111	111
Deferred tax liabilities on intangible assets	-	(152)	(152)
	22	**436**	**458**
Goodwill			983
Total purchase price			**1,441**

** Includes cash and cash equivalents acquired of ₹7 crore.*

Goodwill is not tax deductible.

The fair value of each major class of consideration as of the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash consideration	1,357
Fair value of contingent consideration	84
Total purchase price	**1,441**

The gross amount of trade receivables acquired and its fair value is approximately ₹73 crore and the amount is recoverable

The payment of contingent consideration to sellers of Simplus is dependent upon the achievement of certain financial targets by Simplus. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 10.5% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as of March 31, 2020 was $13 million (approximately ₹97 crore).

The transaction costs of ₹6 crore related to the acquisition have been included under administrative expenses in the consolidated statement of comprehensive income for the year ended March 31, 2020.

Proposed transfer

On October 11, 2019, the Board of Directors of Infosys authorized the Company to execute a Business Transfer Agreement and related documents with its wholly owned subsidiaries, Kallidus Inc and Skava Systems Private Limited (together referred to as Skava), to transfer the business of Skava to Infosys Limited, subject to securing the requisite regulatory approvals for a consideration based on an independent valuation. The transfer between entities under common control would be accounted for at carrying value and would not have any impact on the consolidated financial statements.

2.10.2. Disposal group held for sale

Accounting policy

Non-current assets and Disposal Group are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset or the Disposal Group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets and Disposal Group held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the Disposal Group no longer meets the "Held for sale" criteria.

In the year ended March 31, 2018, the Company had initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya, collectively referred to as the "Disposal Group". The Disposal Group was classified and presented separately as "held for sale" and was carried at the lower of carrying value and fair value. During the year ended March 31, 2019, on remeasurement, including consideration of progress in negotiations on offers from prospective buyers for Panaya, the Company has recorded a reduction in the fair value of Disposal Group held for sale amounting to ₹270 crore in respect of Panaya.

Further, based on evaluation of proposals received and progress of negotiations with potential buyers, the Company concluded that the Disposal Group does not meet the criteria for "Held for Sale' classification because it is no longer highly probable that sale would be consummated by March 31, 2019 (twelve months from date of initial classification as "held for sale"). Accordingly, in accordance with Ind AS 105 -" Non current Assets held for Sale and Discontinued Operations", the assets and liabilities of Panaya and Skava have been included on a line by line basis in the consolidated financial statements as at March 31, 2019.

On reclassification from "Held for sale", the assets of Panaya and Skava have been remeasured at the lower of cost and recoverable amount resulting in recognition of an adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" of ₹451 crore (comprising of ₹358 crore towards goodwill and ₹93 crore towards value of customer relationships) in respect of Skava in the consolidated statement of Comprehensive Income for the year ended March 31, 2019.

2.11 Employees' Stock Option Plans (ESOP)

Accounting Policy

The Group recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with IFRS 2, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share premium.

Infosys Expanded Stock Ownership Program 2019 (the 2019 Plan)

On June 22, 2019 pursuant to the approval by the shareholders in the Annual General Meeting , the Board has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company and its subsidiaries under the 2019 Plan. The maximum number of shares under the 2019 plan shall not exceed 50,000,000 equity shares. To implement the 2019 Plan , up to 45,000,000 equity shares may be issued by way of secondary acquisition of shares by the Infosys Expanded Stock Ownership Trust. The RSUs granted under the 2019 plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator (Nomination and Remuneration Committee). The performance parameters will be based on a combination of relative Total Shareholder Return (TSR) against selected industry peers and certain broader market domestic and global indices and operating performance metrics of the company as decided by administrator. Each of the above performance parameters will be distinct for the purposes of calculation of quantity of shares to vest based on performance. These instruments will generally vest between a minimum of 1 to maximum of 3 years from the grant date.

2015 Stock Incentive Compensation Plan (the 2015 Plan) :

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board has been authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (the 2015 Plan). The maximum number of shares under the 2015 plan shall not exceed 24,038,883 equity shares (this includes 11,223,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). The Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

The equity settled and cash settled RSUs and stock options would vest generally over a period of 4 years and shall be exercisable within the period as approved by the Nomination and Remuneration Committee (NARC) . The exercise price of the RSUs will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant.

Consequent to the September 2018 bonus issue, all the then outstanding options granted under the stock option plan have been adjusted for bonus shares. Unless otherwise stated, all the prior period share numbers, share prices and weighted average exercise prices in this note have been adjusted to give effect to the September 2018 bonus issue.

Controlled trust holds 18,239,356 and 20,324,982 shares as at March 31, 2020 and March 31, 2019, respectively under the 2015 plan. Out of these shares 200,000 equity shares each have been earmarked for welfare activities of the employees as at March 31, 2020 and March 31, 2019.

The following is the summary of grants during the three months and year ended March 31, 2020 and March 31, 2019:

Particulars	2019 Plan				2015 Plan			
	Three months ended March 31,		Year ended March 31,		Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019	2020	2019	2020	2019*
Equity settled RSU								
KMPs	169,000	-	356,793	-	295,800	458,330	507,896	675,530
Employees other than KMP	1,734,500	-	1,734,500	-	1,370,250	1,878,050	3,346,280	3,665,170
Total Grants	**1,903,500**	**-**	**2,091,293**	**-**	**1,666,050**	**2,336,380**	**3,854,176**	**4,340,700**
Cash settled RSU								
KMPs	-	-	-	-	180,400	-	180,400	-
Employees other than KMP	-	-	-	-	377,260	21,500	475,740	74,090
	-	**-**	**-**	**-**	**557,660**	**21,500**	**656,140**	**74,090**
Total Grants	**19,03,500**	**-**	**20,91,293**	**-**	**22,23,710**	**2,357,880**	**45,10,316**	**44,14,790**

**Information is adjusted for September 2018 bonus issue.*

Notes on grants to KMP:

CEO & MD

Under the 2015 plan:

In accordance with the employee agreement which has been approved by the shareholders, the CEO is eligible to receive an annual grant of RSUs of fair value ₹3.25 crore which will vest overtime in three equal annual installments upon the completion of each year of service from the respective grant date. Accordingly, annual time-based grant of 41,782 RSUs was made effective February 27, 2020 for fiscal 2020. Though the annual time based grants for the remaining employment term ending on March 31, 2023 have not been granted as of March 31, 2020, since the service commencement date precedes the grant date, the company has recorded employment stock compensation expense in accordance with IFRS 2, Share based payments.

The Board, on April 12, 2019, based on the recommendations of the Nomination and Remuneration Committee, approved the performance-based grant of RSUs amounting to ₹13 crore for the financial year 2020 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 177,887 performance based RSU's were granted effective May 2, 2019.

In accordance with the shareholders approval in the Annual General meeting held on June 22, 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, approved to amend the vesting period of the annual performance equity grant from three years to one year. Accordingly the vesting period of 217,200 (adjusted for September 2018 bonus issue) performance based RSUs granted effective May 2, 2018 and 177,887 performance based RSU's granted effective May 2,2019 have been amended to one year.

Under the 2019 plan:

In accordance with the shareholders approval in Annual General meeting held on June 22, 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for financial year 2020 under the 2019 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 134,138 performance based RSU's were granted effective June 22, 2019.

COO and Whole time director

Under the 2015 plan:

On February, 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time-based grant of 58,650 RSUs granted effective February 27, 2020.

Under the 2019 plan:

In accordance with the shareholders approval in Annual General meeting held on June 22, 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹4 crore for financial year 2020 under the 2019 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 53,655 performance based RSU's were granted effective June 22, 2019

Other KMPs

Under the 2015 plan:

On April 12, 2019, based on the recommendations of the Nomination and Remuneration Committee, in accordance with employment agreement, the Board, approved performance-based grant of 10,263 RSUs and time based grant of 23,946 RSUs to other KMP under the 2015 Plan. The grants were made effective May 2, 2019. The time based RSUs will generally vest over four years and the performance based RSUs will vest over three years based on certain performance targets.

On February 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 375,768 RSUs to other KMPs under the 2015 plan. The grants were made effective February 27, 2020. These RSUs will vest over four years.

Under the 2019 plan:

On February 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance based grants of 169,000 RSUs to other KMPs under the 2019 plan. The grants were made effective February 27, 2020. These RSUs will vest over three years based on achievement of certain performance targets.

Break-up of employee stock compensation expense

(in ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	**2019**	**2020**	**2019**
Granted to:				
KMP	11	10	56	33
Employees other than KMP	55	49	193	169
Total [(1)]	**66**	**59**	**249**	**202**
[(1)] *Cash settled stock compensation expense included in the above*	7	1	11	5

Share based payment arrangements that were modified during the year ended March 31, 2020:

During the year ended March 31, 2020, the company issued stock appreciation rights as replacement for outstanding ADS settled RSU and ESOP awards. The replacement was pursuant to SEBI Circular 'Framework for issue of Depository Receipts' dated October 10, 2019 which prohibited companies to allot ADS to Indian residents and Non resident Indians. The awards were granted after necessary approvals from the NARC. All other terms and conditions of the replaced awards remain the same as the original award.

The replacement awards was accounted as a modification and the fair value on the date of modification of ₹57 crore is recognized as financial liability with a corresponding adjustment to equity.

The activity in the 2015 and 2019 plan for equity-settled share based payment transactions during the three months ended March 31, 2020 and March 31, 2019 is set out as follows:

Particulars	Three months ended March 31, 2020		Three months ended March 31, 2019		Year ended March 31, 2020		Year ended March 31, 2019	
	Shares arising out of options	**Weighted average exercise price (₹)**	**Shares arising out of options**	**Weighted average exercise price (₹)**	**Shares arising out of options**	**Weighted average exercise price (₹)**	**Shares arising out of options**	**Weighted average exercise price (₹)**
2015 Plan: RSU								
Outstanding at the beginning	8,679,944	3.77	7,659,466	2.50	9,181,198	3.13	7,500,818	2.50
Granted	1,666,050	5.00	2,336,380	5.00	3,854,176	5.00	4,340,700	3.84
Exercised	955,650	3.72	660,078	2.50	2,561,218	2.95	1,864,510	2.50
Modification to cash settled awards	408,568	-	-	-	1,061,820	-	-	-
Forfeited and expired	200,878	3.74	154,570	2.67	631,438	3.29	795,810	2.61
Outstanding at the end	**8,780,898**	**3.96**	**9,181,198**	**3.13**	**8,780,898**	**3.96**	**9,181,198**	**3.13**
Exercisable at the end	392,185	2.54	235,256	2.50	392,185	2.54	235,256	2.50
2015 Plan: Employee Stock Options (ESOPs)								
Outstanding at the beginning	1,146,354	520	1,641,600	519	1,623,176	516	1,933,826	493
Granted	-	-	-	-	-	-	-	-
Exercised	31,124	499	8,224	499	104,796	516	117,350	515
Modification to cash settled awards	-	-	-	-	351,550	-	-	-
Forfeited and expired	14,900	499	10,200	499	66,500	528	193,300	521
Outstanding at the end	**1,100,330**	**539**	**1,623,176**	**516**	**1,100,330**	**539**	**1,623,176**	**516**
Exercisable at the end	780,358	543	698,500	517	780,358	543	698,500	517
2019 Plan: RSU								
Outstanding at the beginning	187,793	5.00	-	-	-	-	-	-
Granted	1,903,500	5.00	-	-	2,091,293	5.00	-	-
Exercised	-	-	-	-	-	-	-	-
Forfeited and expired	-	-	-	-	-	-	-	-
Outstanding at the end	**2,091,293**	**5.00**	**-**	**-**	**2,091,293**	**5.00**	**-**	**-**
Exercisable at the end	-	-	-	-	-	-	-	-

Information in the table above is adjusted for September, 2018 bonus issue

During the three months ended March 31, 2020 and March 31, 2019 the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹720 and ₹732 respectively.

During the year ended March 31, 2020 and March 31, 2019 the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹751 and ₹701 (adjusted for September 2018 bonus issue) respectively.

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2020 is as follows:

Range of exercise prices per share (₹)	2019 plan - Options outstanding			2015 plan - Options outstanding		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
0 - 5 (RSU)	2,091,293	1.76	5.00	8,780,898	1.59	3.96
450 - 600 (ESOP)	-	-	-	1,100,330	3.48	539
	2,091,293	**1.76**	**5.00**	**9,881,228**	**1.80**	**64**

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2019 was as follows:

Range of exercise prices per share (₹)	2015 plan - Options outstanding*		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
2015 Plan:			
0 - 5 (RSU)	9,181,198	1.70	3.13
450 - 600 (ESOP)	1,623,176	5.04	516
	10,804,374	**2.20**	**80**

**Information in the table above is adjusted for September, 2018 bonus issue*

As at March 31, 2020 and March 31, 2019, 18,12,895 and 1,77,454 (net of forfeitures) cash settled options were outstanding respectively. The carrying value of liability towards cash settled share based payments was ₹48 crore and ₹9 crore as at March 31, 2020 and March 31, 2019 respectively.

The fair values of the awards are estimated using the Black-Scholes Model for time and non-market performance based options and Monte Carlo simulation model is used for TSR based options.

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the options. Expected volatility of the comparative company have been modelled based on historical movements in the market prices of their publicly traded equity shares during a period equivalent to the expected term of the options. Correlation coefficient is calculated between each peer entity and the indices as a whole or between each entity in the peer group.

The fair value of each equity settled award is estimated on the date of grant with the following assumptions:

Particulars	For options granted in			
	Fiscal 2020-Equity Shares-RSU	Fiscal 2020-ADS-RSU	Fiscal 2019-Equity Shares-RSU	Fiscal 2019-ADS-RSU
Weighted average share price (₹) / ($ ADS)[1]	728	10.52	696	10.77
Exercise price (₹)/ ($ ADS)[1]	5.00	0.07	3.31	0.06
Expected volatility (%)	22-30	22-26	21-25	22-26
Expected life of the option (years)	1-4	1-4	1-4	1-4
Expected dividends (%)	2-3	2-3	2.65	2.65
Risk-free interest rate (%)	6-7	1-3	7-8	2-3
Weighted average fair value as on grant date (₹) / ($ ADS)[1]	607	7.84	648	10.03

[1] Fiscal 2019 values are adjusted for September 2018 bonus issue wherever applicable

The expected life of the RSU/ESOP is estimated based on the vesting term and contractual term of the RSU/ESOP, as well as expected exercise behavior of the employee who receives the RSU/ESOP.

2.12 INCOME TAXES

Accounting policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Consolidated Statement of Comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized 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 it is no longer probable that the related tax benefit will be realized.

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 recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized 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 utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to securities premium.

Income tax expense in the consolidated statement of comprehensive income comprises:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Current taxes				
Domestic taxes	1,181	1,080	4,454	4,195
Foreign taxes	154	113	1,321	1,532
	1,335	**1,193**	**5,775**	**5,727**
Deferred taxes				
Domestic taxes	(328)	(120)	(307)	23
Foreign taxes	154	132	(100)	(119)
	(174)	**12**	**(407)**	**(96)**
Income tax expense	**1,161**	**1,205**	**5,368**	**5,631**

During the year ended March 31, 2019, the Company entered into Advance Pricing Agreement (APA) in overseas jurisdictions resulting in a reversal of income tax expense of ₹94 crore which pertained to prior periods.

Additionally, income tax expense for the three months ended March 31, 2020 and March 31, 2019 includes reversal (net of provisions) of ₹183 crore and ₹82 crore, respectively. Income tax expense for the year ended March 31, 2020 and March 31, 2019 includes reversal (net of provisions) of ₹379 crore and ₹129 crore, respectively. These reversals pertain to prior periods on account of adjudication of certain disputed matters in favor of the company across various jurisdictions and on account of changes to tax regulations.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Profit before income taxes	5,496	5,283	22,007	21,041
Enacted tax rates in India	34.94%	34.94%	34.94%	34.94%
Computed expected tax expense	1,921	1,846	7,691	7,353
Tax effect due to non-taxable income for Indian tax purposes	(741)	(755)	(2,718)	(2,705)
Overseas taxes	125	122	728	719
Tax provision (reversals)	(183)	(176)	(379)	(176)
Effect of exempt non-operating income	(16)	(13)	(41)	(58)
Effect of unrecognized deferred tax assets	(9)	17	53	92
Effect of differential tax rates	(7)	2	(81)	(1)
Effect of non-deductible expenses	13	47	120	353
Branch profit tax (net of credits)	55	108	(35)	25
Others	3	7	30	29
Income tax expense	**1,161**	**1,205**	**5,368**	**5,631**

The applicable Indian corporate statutory tax rate for the year ended March 31, 2020 and March 31, 2019 is 34.94% each.

The foreign tax expense is due to income taxes payable overseas principally in the United States. In India, the Group has benefited from certain tax incentives that the Government of India had provided for export of software and services from the units registered under the Special Economic Zones (SEZs) Act, 2005. SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50% of such profits or gains for further five years. Up to 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone re-Investment Reserve out of the profit of the eligible SEZ units and utilization of such reserve by the Group for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

Deferred income tax for the three months and year ended March 31, 2020 and March 31, 2019 substantially relates to origination and reversal of temporary differences.

Infosys is subject to a 15% BPT in the U.S. to the extent its U.S. branch's net profit during the year is greater than the increase in the net assets of the U.S. branch during the year, computed in accordance with the Internal Revenue Code. As at March 31, 2020, Infosys' U.S. branch net assets amounted to approximately ₹5,474 crore. As at March 31, 2020, the Company has a deferred tax liability for branch profit tax of ₹178 crore (net of credits), as the Company estimates that these branch profits are expected to be distributed in the foreseeable future.

Deferred income tax liabilities have not been recognized on temporary differences amounting to ₹8,447 crore and ₹6,007 crore as at March 31, 2020 and March 31, 2019, respectively, associated with investments in subsidiaries and branches as it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets have not been recognized on accumulated losses of ₹3,187 crore and ₹2,624 crore as at March 31, 2020 and March 31, 2019, respectively, as it is probable that future taxable profit will be not available against which the unused tax losses can be utilized in the foreseeable future.

The following table provides details of expiration of unused tax losses as at March 31, 2020:

(In ₹ crore)

Year	As at March 31, 2020
2021	83
2022	142
2023	209
2024	172
2025	121
Thereafter	2,460
Total	**3,187**

The following table provides details of expiration of unused tax losses as at March 31, 2019:

(In ₹ crore)

Year	As at March 31, 2019
2020	173
2021	80
2022	142
2023	198
2024	187
Thereafter	1,844
Total	**2,624**

The following table provides the details of income tax assets and income tax liabilities as at March 31, 2020 and March 31, 2019:

(In ₹ crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
Income tax assets	5,391	6,743
Current income tax liabilities	1,490	1,567
Net current income tax asset / (liability) at the end	**3,901**	**5,176**

The gross movement in the current income tax asset/ (liability) for the three months and year ended March 31, 2020 and March 31, 2019 is as follows:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Net current income tax asset/ (liability) at the beginning	3,739	4,783	5,176	4,027
Translation differences	(1)	2	(4)	(1)
Income tax paid	1,586	1,573	4,550	6,832
Current income tax expense	(1,335)	(1,193)	(5,775)	(5,727)
Reclassified under assets held for sale (refer note no. 2.1.2)	-	-	-	23
Reclassified from held for sale (Refer note 2.1.2)	-	-	-	13
Income tax benefit arising on exercise of stock options	3	5	9	8
Additions through business combination	-	-	(40)	(9)
Tax impact on buyback expenses	-	4	4	4
Income tax on other comprehensive income	(91)	2	(19)	6
Net current income tax asset/ (liability) at the end	**3,901**	**5,176**	**3,901**	**5,176**

The movement in gross deferred income tax assets / liabilities (before set off) for the three months ended March 31, 2020 is as follows:

(In ₹ crore)

Particulars	Carrying value as at January 1, 2020	Changes through profit and loss	Addition through business combination	Changes through OCI	Impact on account of Ind AS 116 adoption	Reclassified from Held for Sale, net	Translation difference	Carrying value as at March 31, 2020
Deferred income tax assets/(liabilities)								
Property, plant and equipment	248	(5)	-	-	-	-	1	244
Lease liabilities	79	57	-	-	-	-	-	136
Accrued compensation to employees	36	16	-	-	-	-	-	52
Trade receivables	185	12	-	-	-	-	-	197
Compensated absences	439	(6)	-	-	-	-	-	433
Post sales client support	108	2	-	-	-	-	1	111
Credits related to branch profits	245	117	-	-	-	-	15	377
Derivative financial instruments	(8)	168	-	2	-	-	-	162
Intangible assets	18	-	-	-	-	-	2	20
Intangibles arising on business combinations	(277)	14	(150)	-	-	-	(13)	(426)
Branch profit tax	(361)	(172)	-	-	-	-	(22)	(555)
Others	53	(29)	-	-	-	-	1	25
Total deferred income tax assets/(liabilities)	**765**	**174**	**(150)**	**2**	**-**	**-**	**(15)**	**776**

The movement in gross deferred income tax assets / liabilities (before set off) for the three months ended March 31, 2019 is as follows:

(In ₹ crore)

Particulars	Carrying value as at January 1, 2019	Changes through profit and loss	Addition through business combination	Changes through OCI	Impact on account of Ind AS 116	Reclassified as Held for Sale, net	Translation difference	Carrying value as at March 31, 2019
Deferred income tax assets/(liabilities)								
Property, plant and equipment	242	20	-	-	-	-	-	262
Accrued compensation to employees	25	6	-	-	-	-	-	31
Trade receivables	165	11	-	-	-	-	-	176
Compensated absences	387	10	-	-	-	-	-	397
Post sales client support	111	(7)	-	-	-	-	-	104
Credits related to branch profits	261	81	-	-	-	-	(2)	340
Derivative financial instruments	(104)	(7)	-	5	-	-	-	(106)
Intangible assets	16	-	-	-	-	-	-	16
Intangibles arising on business combinations	(163)	34	-	-	-	-	1	(128)
Branch profit tax	(355)	(189)	-	-	-	-	3	(541)
Others	100	29	-	17	-	-	3	149
Total deferred income tax assets/(liabilities)	**685**	**(12)**	**-**	**22**	**-**	**-**	**5**	**700**

The movement in gross deferred income tax assets / liabilities (before set off) for the year ended March 31, 2020 is as follows:

(In ₹ crore)

Particulars	Carrying value as at April 1, 2019	Changes through profit and loss	Addition through business	Changes through OCI	Impact on account of Ind AS 116 adoption	Reclassified from Held for Sale, net	Translation difference	Carrying value as of March 31, 2020
Deferred income tax assets/(liabilities)								
Property, plant and equipment	262	(20)	1	-	-	-	1	244
Lease liabilities	52	76	-	-	6	-	2	136
Accrued compensation to employees	31	23	-	-	-	-	(2)	52
Trade receivables	176	21	-	-	-	-	-	197
Compensated absences	397	35	-	-	-	-	1	433
Post sales client support	104	7	-	-	-	-	-	111
Credits related to branch profits	340	14	-	-	-	-	23	377
Derivative financial instruments	(106)	255	-	12	-	-	1	162
Intangible assets	16	1	-	-	-	-	3	20
Intangibles arising on business combinations	(128)	44	(326)	-	-	-	(16)	(426)
Branch profit tax	(541)	22	-	-	-	-	(36)	(555)
Others	97	(71)	9	(7)	-	-	(3)	25
Total deferred income tax assets/(liabilities)	**700**	**407**	**(316)**	**5**	**6**	**-**	**(26)**	**776**

The movement in gross deferred income tax assets / liabilities (before set off) for the year ended March 31, 2019 is as follows:

(In ₹ crore)

Particulars	Carrying value as at April 1, 2018	Changes through profit and loss	Addition through business	Changes through OCI	Impact on account of Ind AS 116 adoption	Reclassified from Held for Sale, net	Translation difference	Carrying value as at March 31, 2019
Deferred income tax assets/(liabilities)								
Property, plant and equipment	215	46	-	-	-	1	-	262
Accrued compensation to employees	12	16	-	-	-	2	1	31
Trade receivables	141	35	-	-	-	-	-	176
Compensated absences	366	29	-	-	-	2	-	397
Post sales client support	98	5	-	-	-	-	1	104
Credits related to branch profits	341	(22)	-	-	-	-	21	340
Derivative financial instruments	11	(111)	-	(7)	-	-	1	(106)
Intangible assets	9	6	-	-	-	-	1	16
Intangibles arising on business combinations	(38)	63	(56)	-	-	(86)	(11)	(128)
Branch profit tax	(505)	(3)	-	-	-	-	(33)	(541)
Others	91	32	(8)	8	-	28	(2)	149
Total deferred income tax assets/(liabilities)	**741**	**96**	**(64)**	**1**	**-**	**(53)**	**(21)**	**700**

The deferred income tax assets and liabilities are as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Deferred income tax assets after set off	1,744	1,372
Deferred income tax liabilities after set off	(968)	(672)

Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

In assessing the reliability of deferred income tax assets, the management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The management considers the scheduled reversals of deferred income tax liabilities, 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 income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

As at March 31, 2020 and March 31, 2019, claims against the Group not acknowledged as debts from the Income tax authorities amounted to ₹3,353 crore and ₹2,851 crore. The claims against the group majorly represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as disallowance of profits earned from STP Units and SEZ Units, disallowance of deductions in respect of employment of new employees under section 80JJAA, disallowance of expenditure towards software being held as capital in nature, payments made to Associated Enterprises held as liable for withholding of taxes. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group's financial position and results of operations.

Amount paid to statutory authorities against the above tax claims amounted to ₹5,352 crore.

Subsequent to March 31, 2018, the Supreme Court of India ruled favorably in respect of certain income tax claims which have been given effect in the above disclosure of claims as of March 31, 2019.

2.13 Reconciliation of basic and diluted shares used in computing earnings per share

Accounting Policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2020	**2019**	**2020**	**2019**
Basic earnings per equity share - weighted average number of equity shares outstanding[(1)]	4,240,181,854	4,347,129,592	4,257,754,522	4,347,130,157
Effect of dilutive common equivalent shares - share options outstanding	5,799,532	5,894,271	7,389,706	6,290,615
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	**4,245,981,386**	**4,353,023,863**	**4,265,144,228**	**4,353,420,772**

Information in the table above is adjusted for September, 2018 bonus issue wherever applicable

[(1)] *excludes treasury shares*

For the three months ended March 31, 2020 and March 31, 2019, 54,275 and Nil number of option to purchase equity shares had an anti-dilutive effect, respectively.
For the year ended March 31, 2020 and March 31, 2019, 13,093 and Nil number of options to purchase equity shares had an anti-dilutive effect, respectively.

2.14 RELATED PARTY TRANSACTIONS

List of related parties:

Name of subsidiaries	Country	Holdings as at	
		March 31, 2020	March 31, 2019
Infosys Technologies (China) Co. Limited (Infosys China)	China	100%	100%
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	Mexico	100%	100%
Infosys Technologies (Sweden) AB. (Infosys Sweden)	Sweden	100%	100%
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)	China	100%	100%
Infosys Tecnologia DO Brasil LTDA. (Infosys Brasil)[25]	Brazil	-	100%
Infosys Nova Holdings LLC. (Infosys Nova)	U.S.	100%	100%
EdgeVerve Systems Limited (EdgeVerve)	India	100%	100%
Infosys Austria GmbH[1] (formerly Lodestone Management Consultants GmbH)	Austria	100%	100%
Skava Systems Pvt. Ltd. (Skava Systems)	India	100%	100%
Kallidus Inc, (Kallidus)	U.S.	100%	100%
Infosys Chile SpA	Chile	100%	100%
Infosys Arabia Limited[2]	Saudi Arabia	70%	70%
Infosys Consulting Ltda.[2]	Brazil	100%	99.99%
Infosys CIS LLC[1][18][26]	Russia	-	-
Infosys Luxembourg S.a.r.l [1][13]	Luxembourg	100%	100%
Infosys Americas Inc., (Infosys Americas)	U.S.	100%	100%
Infosys Technologies (Australia) Pty. Limited (Infosys Australia)[3]	Australia	-	100%
Infosys Public Services, Inc. USA (Infosys Public Services)	U.S.	100%	100%
Infosys Canada Public Services Inc[19]	Canada	-	-
Infosys BPM Limited	India	99.99%	99.98%
Infosys (Czech Republic) Limited s.r.o.[4]	Czech Republic	99.99%	99.98%
Infosys Poland, Sp z.o.o[4]	Poland	99.99%	99.98%
Infosys McCamish Systems LLC [4]	U.S.	99.99%	99.98%
Portland Group Pty Ltd[4]	Australia	99.99%	99.98%
Infosys BPO Americas LLC.[4]	U.S.	99.99%	99.98%
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland	100%	100%
Lodestone Management Consultants Inc.[5][11]	U.S.	-	-
Infosys Management Consulting Pty Limited[5]	Australia	100%	100%
Infosys Consulting AG[5]	Switzerland	100%	100%
Infosys Consulting GmbH[5]	Germany	100%	100%
Infosys Consulting S.R.L.[1]	Romania	100%	100%
Infosys Consulting SAS[5]	France	100%	100%
Infosys Consulting s.r.o.[5]	Czech Republic	100%	100%
Infosys Consulting (Shanghai) Co., Ltd.(*formerly Lodestone Management Consultants Co., Ltd)* [5]	China	100%	100%
Infy Consulting Company Ltd[5]	U.K.	100%	100%
Infy Consulting B.V.[5]	The Netherlands	100%	100%
Infosys Consulting Sp. z.o.o[32]	Poland	99.99%	100%
Lodestone Management Consultants Portugal, Unipessoal, Lda. [5]	Portugal	100%	100%
Infosys Consulting S.R.L.[5]	Argentina	100%	100%
Infosys Consulting (Belgium) NV (formerly Lodestone Management Consultants (Belgium) S.A.)[6]	Belgium	99.90%	99.90%
Panaya Inc. (Panaya)	U.S.	100%	100%
Panaya Ltd. [7]	Israel	100%	100%
Panaya GmbH[7]	Germany	100%	100%
Panaya Japan Co. Ltd[7][31]	Japan	-	100%
Brilliant Basics Holdings Limited (Brilliant Basics)	U.K.	100%	100%
Brilliant Basics Limited[8]	U.K.	100%	100%
Brilliant Basics (MENA) DMCC[8][26]	Dubai	100%	100%
Infosys Consulting Pte Limited (Infosys Singapore)[1]	Singapore	100%	100%
Infosys Middle East FZ LLC[9]	Dubai	100%	100%
Fluido Oy[9][14]	Finland	100%	100%
Fluido Sweden AB (Extero)[15]	Sweden	100%	100%
Fluido Norway A/S[15]	Norway	100%	100%
Fluido Denmark A/S[15]	Denmark	100%	100%
Fluido Slovakia s.r.o[15]	Slovakia	100%	100%
Fluido Newco AB[15]	Sweden	100%	100%
Infosys Compaz Pte. Ltd (formerly Trusted Source Pte. Ltd) [16]	Singapore	60%	60%
Infosys South Africa (Pty) Ltd[9][17]	South Africa	-	-
WongDoody Holding Company Inc. (WongDoody) [10]	U.S.	100%	100%
WDW Communications, Inc[12]	U.S.	100%	100%
WongDoody, Inc[12]	U.S.	100%	100%

HIPUS[(20)]	Japan	81%	-
Stater N.V.[(21)]	The Netherlands	75%	-
Stater Nederland B.V.[(22)]	The Netherlands	75%	-
Stater Duitsland B.V.[(22)]	The Netherlands	75%	-
Stater XXL B.V.[(22)]	The Netherlands	75%	-
HypoCasso B.V.[(22)]	The Netherlands	75%	-
Stater Participations B.V.[(22)]	The Netherlands	75%	-
Stater Deutschland Verwaltungs-GmbH[(23)]	Germany	75%	-
Stater Deutschland GmbH & Co. KG[(23)]	Germany	75%	-
Stater Belgium N.V./S.A.[(24)]	Belgium	53.99%	-
Outbox systems Inc. dba Simplus (US)[(27)]	U.S.	100%	-
Simplus North America Inc.[(28)]	Canada	100%	-
Simplus ANZ Pty Ltd.[(28)]	Australia	100%	-
Simplus Australia Pty Ltd[(30)]	Australia	100%	-
Sqware Peg Digital Pty Ltd[(30)]	Australia	100%	-
Simplus Philippines, Inc.[(28)]	Philippines	100%	-
Simplus Europe, Ltd.[(28)]	U.K.	100%	-
Simplus U.K., Ltd.[(29)]	U.K.	100%	-
Simplus Ireland, Ltd.[(29)]	Ireland	100%	-

(1) Wholly-owned subsidiary of Infosys Limited

(2) Majority-owned and controlled subsidiary of Infosys Limited

(3) Liquidated effective November 17, 2019

(4) Wholly-owned subsidiary of Infosys BPM

(5) Wholly-owned subsidiary of Infosys Consulting Holding AG (formerly Lodestone Holding AG)

(6) Majority-owned and controlled subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)

(7) Wholly owned subsidiary of Panaya Inc

(8) Wholly-owned subsidiary of Brilliant Basics Holding Limited.

(9) Wholly-owned subsidiary of Infosys Consulting Pte Ltd

(10) On May 22, 2018, Infosys acquired 100% of the voting interest in WongDoody

(11) Liquidated effective May 4, 2018

(12) Wholly-owned subsidiary of WongDoody

(13) Incorporated effective August 6, 2018

(14) On October 11, 2018, Infosys Consulting Pte. Ltd, acquired 100% of the voting interests in Fluido Oy and its subsidiaries

(15) Wholly-owned subsidiary of Fluido Oy

(16) On November 16, 2018 , Infosys Consulting Pte. Ltd, acquired 60% of the voting interest in Infosys Compaz Pte. Ltd

(17) Incorporated effective December 19,2018

(18) Incorporated effective November 29, 2018

(19) Incorporated effective November 27, 2018, wholly owned subsidiary of Infosys Public Services Inc

(20) On April 1, 2019, Infosys Consulting Pte. Ltd, acquired 81% of the voting interests in HIPUS Co. Ltd, Japan

(21) On May 23, 2019, Infosys Consulting Pte. Ltd, acquired 75% of the voting interests in Stater N.V

(22) Majority-owned and controlled subsidiary of Stater N.V

(23) Majority-owned and controlled subsidiary of Stater Duitsland B.V.

(24) Majority-owned and controlled subsidiary of Stater Participations B.V.

(25) Effective October 1, 2019, merged into Infosys Consulting Ltda, a majority owned and controlled subsidiary of Infosys Ltd.

(26) Under Liquidation

(27) On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc. dba Simplus (US)

(28) Wholly-owned subsidiary of Outbox Systems Inc.

(29) Wholly-owned subsidiary of Simplus Europe, Ltd.

(30) Wholly-owned subsidiary of Simplus ANZ Pty Ltd..

(31) Liquidated effective October 19, 2019

(32) On February 20, 2020, Infosys Poland, Sp z.o.o, a wholly owned subsidiary of Infosys BPM acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o, a wholly owned subsidiary of Infosys Consulting Holding AG (formerly Lodestone Holding AG)

Infosys has provided guarantee for performance of certain contracts entered into by its subsidiaries.

List of other related party

Particulars	Country	Nature of relationship
Infosys Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Provident Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys
Infosys BPM Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys BPM
Infosys BPM Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys BPM
EdgeVerve Systems Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of EdgeVerve
EdgeVerve Systems Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of EdgeVerve
Infosys Employees Welfare Trust	India	Controlled trust
Infosys Employee Benefits Trust	India	Controlled trust
Infosys Science Foundation	India	Controlled trust
Infosys Expanded Stock Ownership Trust *	India	Controlled trust

Refer note no. 2.20 for information on transactions with post-employment benefit plans mentioned above.

** Registered on May 15, 2019*

List of key management personnel

Whole-time Directors

Salil Parekh , Chief Executive Officer and Managing Director

U.B. Pravin Rao, Chief Operating Officer

Non-whole-time Directors

Nandan M. Nilekani

Micheal Gibbs (appointed as Independent director effective July 13, 2018)

Ravi Venkatesan (resigned as member of the Board effective May 11, 2018)

Kiran Mazumdar-Shaw

Roopa Kudva (retired as member of the Board effective Febraury 3, 2020)

Dr. Punita Kumar-Sinha

D. N. Prahlad

D. Sundaram

Executive Officers

Nilanjan Roy (appointed as Chief Financial Officer effective March 1, 2019)

Jayesh Sanghrajka (appointed as Interim-Chief Financial Officer effective November 17, 2018. He resumed his responsibilities as Deputy Chief Financial Officer effective March 1, 2019).

M.D. Ranganath (resigned as Chief Financial Officer effective November 16, 2018)

Mohit Joshi, President

Ravi Kumar S, President and Deputy Chief Operating Officer

Krishnamurthy Shankar, Group Head - Human Resources

Inderpreet Sawhney, Group General Counsel and Chief Compliance Officer

Company Secretary

A.G.S. Manikantha

Transaction with key management personnel:

The related party transactions with above KMP which comprise directors and executive officers are as follows :

(In ₹ crore)

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2020	**2019**	**2020**	**2019**
Salaries and other employee benefits to whole-time directors and executive officers [(1)(2)(3)]	29	29	118	96
Commission and other benefits to non-executive/independent directors	2	2	8	8
Total	**31**	**31**	**126**	**104**

[(1)] Total employee stock compensation expense for the three months ended March 31, 2020 and March 31, 2019 includes a charge of ₹11 crore and ₹10 crore, respectively, towards key managerial personnel. For the year ended March 31, 2020 and March 31, 2019, includes a charge of ₹56 crore and ₹33 crore respectively, towards key managerial personnel. (Refer to note 2.11)

[(2)] On December 20, 2018, the Board appointed Nilanjan Roy as the Chief Financial Officer of the Company with effect from March 1, 2019.

[(3)] Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.

2.15 Segment reporting

IFRS 8 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. The Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the accounting policies.

Business segments of the Group are primarily enterprises in Financial Services and Insurance, enterprises in Manufacturing, enterprises in Retail, Consumer Packaged Goods and Logistics, enterprises in the Energy, Utilities, Resources and Services, enterprises in Communication, Telecom OEM and Media, enterprises in Hi-Tech, enterprises in Life Sciences and Healthcare and all other segments. The Financial services reportable segments has been aggregated to include the Financial Services operating segment and Finacle operating segment because of the similarity of the economic characteristics. All other segments represents the operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for 'all other segments' represents revenue generated by Infosys Public services and revenue generated from customers located in India, Japan and China and other enterprises in Public services. Allocated expenses of segments include expenses incurred for rendering services from the Group's offshore software development centers and on-site expenses, which are categorized in relation to the associated efforts of the segment. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. The management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the Group.

Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between segments. Management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

Business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

Disclosure of revenue by geographic locations is given in note 2.16 Revenue from operations.

2.15.1 Business segments

Three months ended March 31, 2020 and March 31, 2019

(In ₹ crore)

Particulars	Financial Services	Retail	Communication	Energy, Utilities, Resources and Services	Manufacturing	Hi Tech	Life Sciences	All other segments	Total
Revenues	**7,282**	**3,622**	**3,017**	**2,992**	**2,363**	**1,831**	**1,484**	**676**	**23,267**
	6,805	*3,416*	*2,921*	*2,747*	*2,161*	*1,650*	*1,287*	*552*	*21,539*
Identifiable operating expenses	3,808	1,790	1,769	1,481	1,246	1,056	827	422	**12,399**
	3,614	*1,705*	*1,731*	*1,500*	*1,190*	*984*	*694*	*348*	*11,766*
Allocated expenses	1,611	774	688	655	560	344	313	217	**5,162**
	1,470	*694*	*612*	*613*	*500*	*290*	*270*	*167*	*4,616*
Segment profit	**1,863**	**1,058**	**560**	**856**	**557**	**431**	**344**	**37**	**5,706**
	1,721	*1,017*	*578*	*634*	*471*	*376*	*323*	*37*	*5,157*
Unallocable expenses*									779
									539
Operating profit									4,927
									4,618
Other income, net *(Refer to note 2.20)*									614
									665
Finance Costs *(Refer Note 2.8)*									(45)
									-
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" (Refer to note 2.10.1)									-
									-
Profit before income taxes									**5,496**
									5,283
Income tax expense									1,161
									1,205
Net profit									**4,335**
									4,078
Depreciation and amortization expense									749
									531
Non-cash expenses other than depreciation and amortization									30
									8

*Unallocable expenses for the three months ended March 31, 2020 includes amortization on ROU assets consequent to adoption of IFRS 16 - Leases effective April 1, 2019

Year ended March 31, 2020 and March 31, 2019

(In ₹ crore)

Particulars	Financial Services	Retail	Communication	Energy, Utilities, Resources and Services	Manufacturing	Hi Tech	Life Sciences	All other segments	Total
Revenues	**28,625**	**14,035**	**11,984**	**11,736**	**9,131**	**6,972**	**5,837**	**2,471**	**90,791**
	26,477	*13,556*	*10,426*	*10,390*	*8,152*	*6,177*	*5,203*	*2,294*	*82,675*
Identifiable operating expenses	14,977	6,989	7,084	6,104	4,991	4,125	3,212	1,486	**48,968**
	14,164	*6,823*	*5,720*	*5,661*	*4,513*	*3,546*	*2,756*	*1,415*	*44,598*
Allocated expenses	6,342	2,834	2,476	2,416	2,081	1,243	1,194	921	**19,507**
	5,435	*2,699*	*2,189*	*2,187*	*1,786*	*1,083*	*1,028*	*763*	*17,170*
Segment profit	**7,306**	**4,212**	**2,424**	**3,216**	**2,059**	**1,604**	**1,431**	**64**	**22,316**
	6,878	*4,034*	*2,517*	*2,542*	*1,853*	*1,548*	*1,419*	*116*	*20,907*
Unallocable expenses*									2,942
									2,027
Operating profit									**19,374**
									18,880
Other income, net (Refer to note 2.20)									2,803
									2,882
Finance Costs (Refer Note 2.8)									(170)
									-
Reduction in the fair value of Disposal Group held for sale									-
									(270)
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" (Refer to note 2.10.1)									-
									(451)
Profit before income taxes									**22,007**
									21,041
Income tax expense									5,368
									5,631
Net profit									**16,639**
									15,410
Depreciation and amortization									2,893
									2,011
Non-cash expenses other than depreciation and amortization									49
									740

*Unallocable expenses for the year ended March 31, 2020 includes amortization on ROU assets consequent to adoption of IFRS 16 - Leases effective April 1, 2019

2.15.2 Significant clients

No client individually accounted for more than 10% of the revenues in the three months and year ended March 31, 2020 and March 31, 2019.

2.16 Revenue from Operations

Accounting Policy:

The Group derives revenues primarily from IT services comprising software development and related services, maintenance, consulting and package implementation, and from licensing of software products and platforms across the Group's core and digital offerings (together called as "software related services"). Contracts with customers are either on a time-and-material, unit of work, fixed-price or on a fixed-timeframe basis.

Effective April 1, 2018, the Group adopted IFRS 15 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. The effect on adoption of IFRS 15 was insignificant.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Group has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Group allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Group estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Group's contracts may include variable consideration including rebates, volume discounts and penalties. The Group includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue on time-and-material and unit of work based contracts, are recognized as the related services are performed. Fixed price maintenance revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Group's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended have been used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the lives of the contracts and are recognized in profit or loss in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

The billing schedules agreed with customers include periodic performance based billing and / or milestone based progress billings. Revenues in excess of billing are classified as unbilled revenue while billing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for software development and related services and maintenance services, by applying the revenue recognition criteria for each distinct performance obligation, the arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS).When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two distinct 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 Group uses the expected cost plus margin approach in estimating the standalone selling price. 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. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

Contracts with customers includes subcontractor services or third-party vendor equipment or software in certain integrated services arrangements. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when the Group is acting as an agent between the customer and the vendor, and gross when the Group is the principal for the transaction. In doing so, the group first evaluates whether it controls the good or service before it is transferred to the customer. The Group considers whether it has the primary obligation to fulfil the contract, inventory risk, pricing discretion and other factors to determine whether it controls the goods or service and therefore is acting as a principal or an agent.

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Group expects to recover them. Any capitalized contract costs are amortized, with the expense recognised as the Group transfers the related goods or services to the customer.

The Group presents revenues net of indirect taxes in its consolidated statement of comprehensive income.

Revenues for the three months and year ended March 31, 2020 and March 31,2019 are as follows:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Revenue from software services	21,808	20,372	85,260	78,359
Revenue from products and platforms	1,459	1,167	5,531	4,316
Total revenue from operations	**23,267**	**21,539**	**90,791**	**82,675**

The Group has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts;(ii) onerous obligations;(iii) penalties relating to breaches of service level agreements, and (iv) termination or deferment of contracts by customers.
The Group has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geography and offerings for each of our business segments. The group 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.

Three months ended March 31, 2020 and March 31, 2019

(In ₹ crore)

Particulars	Financial Services [1]	Retail[2]	Communication [3]	Energy, Utilities, Resources and Services	Manufacturing	Hi Tech	Life Sciences[4]	Others [5]	Total
Revenues by Geography*									
North America	4,276	2,433	1,796	1,619	1,322	1,700	1,015	170	14,331
	4,093	2,206	1,763	1,513	1,150	1,575	767	126	*13,193*
Europe	1,540	993	555	1,110	937	54	435	58	5,682
	1,255	987	464	975	918	35	492	41	*5,167*
India	342	10	38	5	25	65	11	113	609
	296	6	23	1	21	32	4	110	*493*
Rest of the world	1,124	186	628	258	79	12	23	335	2,645
	1,161	217	671	258	72	8	24	275	*2,686*
Total	**7,282**	**3,622**	**3,017**	**2,992**	**2,363**	**1,831**	**1,484**	**676**	**23,267**
	6,805	***3,416***	***2,921***	***2,747***	***2,161***	***1,650***	***1,287***	***552***	***21,539***
Revenue by offerings									
Digital	3,164	1,683	1,315	1,247	949	682	508	217	9,765
	2,288	*1,297*	*1,023*	*925*	*716*	*593*	*333*	*107*	*7,282*
Core	4,118	1,939	1,702	1,745	1,414	1,149	976	459	13,502
	4,517	*2,119*	*1,898*	*1,822*	*1,445*	*1,057*	*954*	*445*	*14,257*
Total	**7,282**	**3,622**	**3,017**	**2,992**	**2,363**	**1,831**	**1,484**	**676**	**23,267**
	6,805	***3,416***	***2,921***	***2,747***	***2,161***	***1,650***	***1,287***	***552***	***21,539***

Year ended March 31, 2020 and March 31, 2019

(In ₹ crore)

Particulars	Financial Services [1]	Retail[2]	Communication [3]	Energy, Utilities, Resources and Services	Manufacturing	Hi Tech	Life Sciences[4]	Others [5]	Total
Revenues by Geography*									
North America	16,749	9,222	7,332	6,456	5,131	6,537	3,816	564	55,807
	16,052	*8,792*	*5,579*	*5,867*	*4,336*	*5,914*	*3,066*	*432*	*50,038*
Europe	5,983	3,966	1,925	4,207	3,576	191	1,892	176	21,916
	4,890	*3,836*	*1,897*	*3,550*	*3,497*	*106*	*2,011*	*155*	*19,942*
India	1,311	48	192	12	88	207	39	468	2,365
	1,209	*23*	*56*	*3*	*86*	*137*	*12*	*522*	*2,048*
Rest of the world	4,582	799	2,535	1,061	336	37	90	1,263	10,703
	4,326	*905*	*2,894*	*970*	*233*	*20*	*114*	*1,185*	*10,647*
Total	**28,625**	**14,035**	**11,984**	**11,736**	**9,131**	**6,972**	**5,837**	**2,471**	**90,791**
	26,477	***13,556***	***10,426***	***10,390***	***8,152***	***6,177***	***5,203***	***2,294***	***82,675***
Revenue by offerings									
Digital	11,562	6,165	4,843	4,485	3,481	2,541	1,850	690	35,617
	8,277	*4,715*	*3,598*	*3,061*	*2,427*	*2,084*	*1,289*	*346*	*25,797*
Core	17,063	7,870	7,141	7,251	5,650	4,431	3,987	1,781	55,174
	18,200	*8,841*	*6,828*	*7,329*	*5,725*	*4,093*	*3,914*	*1,948*	*56,878*
Total	**28,625**	**14,035**	**11,984**	**11,736**	**9,131**	**6,972**	**5,837**	**2,471**	**90,791**
	26,477	***13,556***	***10,426***	***10,390***	***8,152***	***6,177***	***5,203***	***2,294***	***82,675***

(1) Financial Services include enterprises in Financial Services and Insurance

(2) Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics

(3) Communication includes enterprises in Communication, Telecom OEM and Media

(4) Life Sciences includes enterprises in Life sciences and Health care

(5) Others include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services

** Geographical revenues is based on the domicile of customer.*

Digital Services

Digital Services comprise of service and solution offerings of the Group that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core Services

Core Services comprise traditional offerings of the Group that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services.

Products & platforms

The Group also derives revenues from the sale of products and platforms including Finacle – core banking solution, Edge Suite of products, Infosys Nia - Artificial Intelligence (AI) platform which applies next-generation AI and machine learning, Stater digital platform and Infosys McCamish- insurance platform.

The percentage of revenue from fixed price contracts for each of the three months and year ended March 31, 2020 and March 31, 2019 is approximately 55%.

Trade Receivables and Contract Balances

The timing of revenue recognition, billings and cash collections results in Receivables, Unbilled Revenue, and Unearned Revenue on the Group's Consolidated Balance Sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones.

The Group's Receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of billings from time and material contracts and fixed price maintenance contracts are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

Invoicing to the clients for other fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore Unbilled Revenues for other fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.
Invoicing in excess of earnings are classified as unearned revenue.

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

During the year months ended March 31, 2020 and March 31, 2019, the company recognized revenue of ₹2,421 crore and ₹2,237 crore arising from opening unearned revenue as of April 1, 2019 and April 1, 2018 respectively.

During the year ended March 31, 2020 and March 31, 2019, ₹2,971 crore and ₹2,685 crore of unbilled revenue pertaining to other fixed price development contracts as of April 1, 2019 and April 1, 2018, respectively 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 Group expects to recognize these amounts in revenue. Applying the practical expedient as given in IFRS 15, the Group 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 invoicing is on time and material and unit of work based contracts. 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 at March 31, 2020, other than those meeting the exclusion criteria mentioned above, is ₹55,926 crore. Out of this, the Group expects to recognize revenue of around 51% within the next one year and the remaining thereafter. The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019 is ₹51,274 crore. The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them. Generally, customers have not terminated contracts without cause.

2.17 Unbilled Revenue

(In ₹ crore)

Particulars	**As at**	
	March 31, 2020	**March 31, 2019**
Unbilled financial asset [(1)]	2,796	2,093
Unbilled non financial asset [(2)]	4,325	3,281
Total	**7,121**	**5,374**

(1) Right to consideration is unconditional and is due only after passage of time.

(2) Right to consideration is dependent on completion of contractual milestones.

2.18 Expenses by nature

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Employee benefit costs (Refer Note 2.19)	12,916	12074	50,887	45,315
Depreciation and amortization charges (Refer Note 2.7 and 2.8)	749	531	2,893	2,011
Travelling costs	667	603	2,710	2,433
Consultancy and professional charges	339	376	1,326	1,324
Cost of Software packages for own use	268	237	1,035	930
Third party items bought for service delivery to clients	487	452	1,668	1,623
Communication costs	139	115	528	471
Cost of technical sub-contractors	1,704	1601	6,714	6,033
Power and fuel	53	49	229	221
Repairs and maintenance	433	374	1,580	1,316
Rates and taxes	64	52	193	184
Insurance charges	23	19	90	67
Commission to non-whole time directors	2	2	8	8
Branding and marketing expenses	143	135	528	489
Provision for post-sales client support	-	(24)	-	1
Impairment loss recognized / (reversed) on financial assets (Refer Note 2.3)	74	18	172	248
Contribution towards Corporate Social Responsibility	130	66	385	266
Short-term leases (Refer to note 2.8)	24	-	89	-
Operating lease payments	-	165	-	585
Others	125	76	382	270
Total cost of sales, selling and marketing expenses and administrative expenses	**18,340**	**16,921**	**71,417**	**63,795**

The table below provides details of break-up of expenses:

Cost of sales

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Employee benefit costs	11,547	10,770	45,477	40,498
Depreciation and amortization	749	531	2,893	2,011
Travelling costs	516	436	2,045	1,769
Cost of technical sub-contractors	1,701	1,598	6,712	6,031
Cost of software packages for own use	261	231	1,010	906
Third party items bought for service delivery to clients	487	452	1,667	1,623
Operating lease payments	-	103	-	362
Short-term leases (Refer to note 2.8)	8	-	65	-
Consultancy and professional charges	13	9	50	46
Communication costs	75	64	300	238
Repairs and maintenance	140	106	501	370
Provision for post-sales client support	-	(24)	-	1
Others	4	7	12	12
Total	**15,501**	**14,283**	**60,732**	**53,867**

Selling and marketing expenses

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Employee benefit costs	903	882	3,620	3,236
Travelling costs	79	102	374	409
Branding and marketing	142	135	523	489
Operating leases	-	22	-	80
Short-term leases (Refer to note 2.8)	1	-	6	-
Communication costs	3	4	17	18
Consultancy and professional charges	20	66	118	200
Others	24	15	53	41
Total	**1,172**	**1,226**	**4,711**	**4,473**

Administrative expenses

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Employee benefit costs	466	422	1,790	1,581
Consultancy and professional charges	306	301	1,158	1,078
Repairs and maintenance	291	266	1,071	940
Power and fuel	53	49	229	221
Communication costs	61	47	211	215
Travelling costs	72	65	291	255
Impairment loss recognized/(reversed) under expected credit loss model	74	18	172	248
Rates and taxes	64	52	193	184
Insurance charges	23	19	88	67
Operating leases	-	40	-	143
Short-term leases (Refer to note 2.8)	14	-	19	-
Commission to non-whole time directors	2	2	8	8
Contribution towards Corporate Social Responsibility	130	66	385	266
Others	111	65	359	249
Total	**1,667**	**1,412**	**5,974**	**5,455**

2.19 Employee Benefits

Accounting policy

Gratuity

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of Infosys and its Indian subsidiaries. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). In case of Infosys BPM and EdgeVerve, contributions are made to the Infosys BPM Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees' Gratuity Fund Trust, respectively. Trustees administer contributions made to the Trusts and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by Indian law.

The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in the Consolidated Statement of Comprehensive income.

The following tables set out the funded status of the gratuity plans and the amounts recognized in the Group's financial statements as at March 31, 2020 and March 31, 2019:

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Change in benefit obligations		
Benefit obligations at the beginning	1,351	1,201
Service cost	178	157
Interest expense	90	85
Remeasurements - Actuarial (gains) / losses	(79)	32
Benefits paid	(141)	(128)
Translation difference	3	2
Reclassified from held for sale (refer note no 2.10.2)	-	2
Benefit obligations at the end	**1,402**	**1,351**
Change in plan assets		
Fair value of plan assets at the beginning	1,361	1,216
Interest income	97	90
Remeasurements- Return on plan assets excluding amounts included in interest income	9	4
Contributions	191	174
Benefits paid	(136)	(123)
Fair value of plan assets at the end	**1,522**	**1,361**
Funded status	120	10
Prepaid gratuity benefit	151	42
Accrued gratuity	(31)	(32)

Amount for the three months and year ended March 31, 2020 and March 31, 2019 recognized in the Consolidated Statement of Comprehensive income under employee benefit expense:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	**2019**	**2020**	**2019**
Service cost	45	39	178	157
Net interest on the net defined benefit liability/asset	(3)	(2)	(7)	(5)
Net gratuity cost	**42**	**37**	**171**	**152**

Amount for the three months and year ended March 31, 2020 and March 31, 2019 recognized in the Consolidated Statement of other comprehensive income:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	**2019**	**2020**	**2019**
Remeasurements of the net defined benefit liability/ (asset)				
Actuarial (gains) / losses	(95)	5	(79)	32
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	4	1	(9)	(4)
	(91)	**6**	**(88)**	**28**

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
(Gain)/loss from change in demographic assumptions	1	-	1	(4)
(Gain)/loss from change in financial assumptions	(85)	9	(57)	30
(Gain)/loss from experience adjustment	(11)	(4)	(23)	6
	(95)	**5**	**(79)**	**32**

Amount recognised in statement of comprehensive income has been apportioned between cost of sales, selling and marketing expenses and administrative expenses on the basis of direct employee cost as follows: -

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Cost of sales	38	33	153	136
Selling and marketing expenses	3	3	12	11
Administrative expenses	1	1	6	5
	42	**37**	**171**	**152**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2020 and March 31, 2019 are set out below:

Particulars	As at	
	March 31, 2020	March 31, 2019
Discount rate	6.2%	7.1%
Weighted average rate of increase in compensation levels	6.0%	8.0%
Weighted average duration of defined benefit obligation	5.9 years	5.9 years

The weighted-average assumptions used to determine net periodic benefit cost for the three months and year ended March 31, 2020 and March 31, 2019 are set out below:

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Discount rate(%)	7.1	7.5	7.1	7.5
Weighted average rate of increase in compensation levels(%)	8.0	8.0	8.0	8.0

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

Sensitivity of significant assumptions used for valuation of defined benefit obligation:

(in ₹ crore)

Impact from percentage point increase / decrease in	As at March 31, 2020
Discount rate	67
Weighted average rate of increase in compensation levels	59

Sensitivity to significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. In practice, this is not probable, and changes in some of the assumptions may be correlated.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit gratuity plans.

The Company contributes all ascertained liabilities towards gratuity to the Infosys Limited Employees' Gratuity Fund Trust. In case of Infosys BPM and EdgeVerve, contributions are made to the Infosys BPM Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees Gratuity Fund Trust, respectively. Trustees administer contributions made to the trust as at March 31, 2020 and March 31, 2019, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the three months ended March 31, 2020, and March 31, 2019 were ₹20 crore and ₹23 crore, respectively.

Actual return on assets for the year ended March 31, 2020, and March 31, 2019 were ₹106 crore and ₹95 crore, respectively.

The Group expects to contribute ₹145 crore to the gratuity trusts during fiscal 2021.

Maturity profile of defined benefit obligation:

	(In ₹ crore)
Within 1 year	215
1-2 year	218
2-3 year	220
3-4 year	231
4-5 year	148
5-10 years	1,183

Provident fund

Eligible employees of Infosys receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Infosys Limited Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

In respect of Indian subsidiaries, eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the respective companies make monthly contributions to this provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The Companies have no further obligation to the plan beyond its monthly contributions.

Infosys has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided there is no shortfall as at March 31, 2019.

The details of the benefit obligation as at March 31, 2019 is as follows:

	(In ₹ crore)
Particulars	**As at March 31, 2019**
Benefit obligation at the period end	5,989
Net liability recognized in balance sheet	-

The following tables set out the funded status of the defined benefit provident fund plan of Infosys limited and the amounts recognized in the Company's financial statements as at March 31, 2020

	(In ₹ crore)
Particulars	**As at March 31, 2020**
Change in benefit obligations	
Benefit obligations at the beginning	5,989
Service cost - employer contribution	407
Employee contribution	857
Interest expense	561
Actuarial (gains) / loss	216
Benefits paid	(664)
Benefit obligations at the end	**7,366**
Change in plan assets	
Fair value of plan assets at the beginning	5,989
Interest income	561
Remeasurements- Return on plan assets excluding amounts included in interest income [(1)]	(33)
Contributions (employer and employee)	1,264
Benefits paid	(664)
Fair value of plan assets at the end	**7,117**
Net liability (refer to note 2.5)	(249)

[(1)] *Includes unrealized losses on certain investments in bonds*

Amount for the three months and year ended March 31, 2020 recognized in the consolidated statement of other comprehensive income:

		(In ₹ crore)
Particulars	**Three months ended March 31,**	**Year ended March 31,**
	2020	**2020**
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial (gains) / losses	69	216
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(48)	33
	21	**249**

Assumptions used in determining the present value obligation of the defined benefit plan under the Deterministic Approach:

Particulars	As at	
	March 31, 2020	March 31, 2019
Government of India (GOI) bond yield [(1)]	6.20%	7.10%
Expected rate of return on plan assets	8.00%	9.20%
Remaining term to maturity of portfolio	6 years	5.47 years
Expected guaranteed interest rate		
First year	8.50%	8.65%
Thereafter	8.50%	8.60%

[(1)] In India, the market for high quality corporate bonds being not developed, the yield of government bonds is considered as the discount rate. The tenure has been considered taking into account the past long-term trend of employees' average remaining service life which reflects the average estimated term of the post- employment benefit obligations.

The breakup of the plan assets into various categories as at March 31, 2020 is as follows:

Particulars	As at
	March 31, 2020
Central and State government bonds	49%
Public sector undertakings and Private sector bonds	48%
Others	3%

The asset allocation for plan assets is determined based on investment criteria prescribed under the relevant regulations.

As at March 31, 2020 the defined benefit obligation would be affected by approximately ₹72 crore and ₹108 crore on account of a 0.25% increase / decrease in the expected rate of return on plan assets.

The Group contributed ₹167 crore and ₹142 crore to the provident fund during the three months ended March 31, 2020 and March 31, 2019, respectively. The Group contributed ₹639 crore and ₹543 crore to the provident fund during the year ended March 31, 2020 and March 31, 2019, respectively. The same has been recognized in the net profit in the consolidated Statement of comprehensive income under the head employee benefit expense.

In February 2019, the Hon'ble Supreme Court of India vide its judgment and subsequent review petition of August 2019 has ruled in respect of compensation for the purpose of Provident Fund contribution under the Employee's Provident Fund Act. The Company has assessed possible outcomes of the judgment on determination of provident fund contributions and based on the Company's current evaluation of the judgement, it is not probable that certain allowances paid by the Company will be subject to payment of Provident Fund. The Company will continue to monitor and evaluate its position based on future events and developments.

Provident Fund contribution have been apportioned between cost of sales, selling and marketing expenses and administrative expenses on the basis of direct employee cost as follows: -

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Cost of sales	149	126	571	485
Selling and marketing expenses	12	11	45	39
Administrative expenses	6	5	23	19
	167	**142**	**639**	**543**

The provident plans are applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit plans.

Superannuation

Certain employees of Infosys, Infosys BPM and EdgeVerve are participants in a defined contribution plan. The Group has no further obligations to the plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

The group contributed ₹60 crore and ₹57 crore to the superannuation plan during the three months ended March 31, 2020 and March 31, 2019, respectively.
The group contributed ₹240 crore and ₹215 crore to the superannuation plan during the year ended March 31, 2020 and March 31, 2019, respectively and the same has been recognized in the Consolidated Statement of comprehensive income under the head employee benefit expense.

The provident plans are applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit plans.

Superannuation contribution have been apportioned between cost of sales, selling and marketing expenses and administrative expenses on the basis of direct employee cost as follows: -

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Cost of sales	54	51	214	192
Selling and marketing expenses	4	4	17	15
Administrative expenses	2	2	9	8
	60	**57**	**240**	**215**

Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Employee benefit costs include:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	**2019**	**2020**	**2019**
Salaries and bonus[(1)]	12,647	11,838	49,837	44,405
Defined contribution plans	85	81	338	307
Defined benefit plans	184	155	712	603
	12,916	**12,074**	**50,887**	**45,315**

[(1)] Includes an employee stock compensation expense of ₹66 crore and ₹249 crore for the three months and year ended March 31, 2020 respectively. Similarly, includes employee stock compensation expense of ₹59 crore and ₹202 crore for the three months and year ended March 31, 2019 respectively.

The employee benefit cost is recognised in the following line items in the consolidated statement of comprehensive income: -

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	**2019**	**2020**	**2019**
Cost of sales	11,547	10,770	45,477	40,498
Selling and marketing expenses	903	882	3,620	3,236
Administrative expenses	466	422	1,790	1,581
	12,916	**12,074**	**50,887**	**45,315**

2.20 Other income, net

a. Accounting Policy

Other income, net

Other income is comprised primarily of interest income, dividend income, gain/loss on investment and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

Effective April 1, 2018, the Group has adopted IFRS interpretation IFRIC 22- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

Foreign currency

Functional currency

The functional currency of Infosys, Infosys BPM, controlled trusts, EdgeVerve and Skava is the Indian rupee. The functional currencies for other subsidiaries are

their respective local currencies. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are recognized in the Consolidated Statement of Comprehensive Income and reported within exchange gains/ (losses) on translation of assets and liabilities, net, except when deferred in Other Comprehensive Income as qualifying cash flow hedges. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the statement of comprehensive income. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Other Comprehensive Income, net of taxes includes translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as financial instruments and measured at fair value through other comprehensive income (FVOCI).

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the Balance Sheet date.

Government grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in net profit in the statement of comprehensive income on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in net profit in the Consolidated Statement of Comprehensive income over the periods necessary to match them with the related costs which they are intended to compensate.

Operating Profits

Operating profit of the Group is computed considering the revenues, net of cost of sales, selling and marketing expenses and administrative expenses.

Other income consists of the following:

(In ₹ crore)

Particulars	Three months ended March 31.		Year ended March 31.	
	2020	**2019**	**2020**	**2019**
Interest income on financial assets carried at amortized cost	327	355	1,289	1,404
Interest income on financial assets carried at fair value through OCI	65	142	322	646
Dividend income on investments carried at fair value through profit or loss	-	1	2	2
Gain/(loss) on investments carried at fair value through PL	35	65	183	170
Gain/(loss) on investments carried at fair value through OCI	4	-	41	-
Interest income on income tax refund	8	-	259	51
Exchange gains / (losses) on forward and options contracts	(477)	195	(511)	185
Exchange gains / (losses) on translation of other assets and liabilities	594	(139)	1,023	133
Others	58	46	195	291
Total	**614**	**665**	**2,803**	**2,882**

2.21 Equity

Accounting policy

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buyback are recognized as a deduction from equity, net of any tax effects.

Treasury Shares

When any entity within the Group purchases the company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/ from Securities premium.

In December 2017, the International Accounting Standard Board issued amendments to IAS 12 – Income Taxes. The amendments clarify that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. On April 1, 2019, the Group adopted these amendments and there was no impact of these amendments on the Company's Consolidated financial statements.

Description of reserves

Retained earnings

Retained earnings represent the amount of accumulated earnings of the Group.

Share premium

The amount received in excess of the par value has been classified as share premium. Additionally, share-based compensation recognized in net profit in the consolidated statement of comprehensive income is credited to share premium.

Other Reserves

The Special Economic Zone Re-investment reserve has been created out of the profit of the eligible SEZ unit in terms of the provisions of Sec 10AA (1)(ii) of Income Tax Act, 1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in terms of the provisions of the Sec 10AA (2) of the Income Tax Act, 1961.

Capital Redemption Reserve

In accordance with section 69 of the Indian Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

Other components of equity

Other components of equity consist of currency translation, remeasurement of net defined benefit liability / asset, equity instruments fair valued through other comprehensive income, changes on fair valuation of investments and changes in fair value of derivatives designated as cash flow hedges, net of taxes.

Cash flow hedge reserve

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the consolidated Statement of Comprehensive Income upon the occurrence of the related forecasted transaction.

2.21.1 Dividend

The final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

The Company declares and pays dividends in Indian rupees. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay / distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

Effective fiscal 2018 the Company's policy was to pay up to 70% of the free cash flow annually by way of dividend and/or buyback.

Effective from fiscal 2020, the company expects to return approximately 85% of the free cash flow cumulatively over a 5-year period through a combination of semi-annual dividends and/or share buyback and/or special dividends, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS. Dividend and buyback include applicable taxes.

Amount of per share dividend recognized as distribution to equity shareholders:-

(In ₹)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Final dividend for fiscal 2018*	-	-	-	10.25
Special dividend for fiscal 2018*	-	-	-	5.00
Interim dividend for fiscal 2019	-	-	-	7.00
Final dividend for fiscal 2019	-	-	10.50	-
Special dividend for fiscal 2019	-	4.00	-	4.00
Interim dividend for fiscal 2020	-	-	8.00	-

**Dividend per share declared previously, retrospectively adjusted for September 2018 bonus issue.*

During the year ended March 31, 2020 on account of the final dividend for fiscal 2019 and interim dividend for fiscal 2020 the Company has incurred a net cash outflow of ₹9,517 crore (excluding dividend paid on treasury shares) inclusive of dividend distribution tax.

The Board of Directors in their meeting on April 20, 2020 recommended a final dividend of ₹9.50/- per equity share for the financial year ended March 31, 2020. This payment is subject to the approval of shareholders in the Annual General Meeting of the Company. In view of COVID 19, the Company is working on an Annual General Meeting date which will be announced by the company in due course. This final dividend if approved by shareholders would result in a net cash outflow of approximately ₹4,029 crore (excluding dividend paid on treasury shares).

2.21.2 Update on capital alocation policy and buyback

In line with the capital allocation policy announced in April 2018, the Board, in its meeting held on January 11, 2019, approved the following :

(a) Declared a special dividend of ₹4/- per equity share;

(b) Recommended buyback of Equity Shares from the open market route through Indian stock exchanges of up to ₹8,260 crore (Maximum Buyback Size) at a price not exceeding ₹800 per share (Maximum Buyback Price) which would comprise approximately 2.36% of the paid-up equity share capital of the Company, subject to shareholders' approval by way of Postal Ballot.

The shareholders approved the proposal of buyback of equity shares recommended by its Board of Directors in its meeting held on January 11, 2019 through the postal ballot that concluded on March 12, 2019.

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange commenced on March 20, 2019 and was completed on August 26, 2019 . During this buyback period the Company had purchased and extinguished a total of 110,519,266 equity shares from the stock exchange at an average buy back price of ₹747/- per equity share comprising 2.53% of the pre buyback paid-up equity share capital of the Company. The buyback resulted in a cash outflow of ₹8,260 crore (excluding transaction costs). The Company funded the buyback from its free reserves.

In accordance with section 69 of the Companies Act, 2013, as at March 31, 2020 the Company has created 'Capital Redemption Reserve' of ₹55 crore equal to the nominal value of the above shares bought back as an appropriation from general reserve.

After the execution of the above buy back, payment of special dividend (including dividend distribution tax) of ₹2,107 crore in January 2019 and payment of special dividend (including dividend distribution tax) of ₹2,633 crore in June 2018, the Company has completed the distribution of ₹13,000 crore, which was announced as part of its capital allocation policy in April 2018.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As at March 31, 2020, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements

2.21.3 Share capital and share premium

The Company has only one class of shares referred to as equity shares having a par value of ₹5/- each. 1,82,39,356 and 20,324,982 shares were held by controlled trust, as at March 31, 2020 and March 31, 2019, respectively.

---

for and on behalf of the Board of Directors of Infosys Limited

Nandan M. Nilekani *Chairman*	Salil Parekh *Chief Executive Officer and Managing Director*	U.B. Pravin Rao *Chief Operating Officer and Whole-time Director*
D. Sundaram *Director*	Nilanjan Roy Chief Financial Officer	A.G.S. Manikantha *Company Secretary*

Bengaluru
April 20, 2020

Infosys Limited and Subsidiaries

Unaudited Condensed Consolidated Interim Statements of Comprehensive Income for the three months ended March 31,

(Dollars in millions except equity share and per equity share data)

	2020	2019
Revenues	**3,197**	**3,060**
Cost of sales	2,133	2,028
Gross profit	**1,064**	**1,032**
Operating expenses:		
Selling and marketing expenses	161	174
Administrative expenses	229	200
Total operating expenses	390	374
Operating profit	**674**	**658**
Other income, net	84	94
Finance cost	(6)	-
Reduction in the fair value of Disposal Group held for sale	-	-
Profit before income taxes	**752**	**752**
Income tax expense	160	171
Net profit	**592**	**581**
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Re-measurements of the net defined benefit liability/asset, net	(2)	-
Equity instruments through other comprehensive income, net	-	-
	(2)	**-**
Items that will be reclassified subsequently to profit or loss:		
Fair valuation of investments, net	2	3
Fair value changes on derivatives designated as cash flow hedge, net	-	(2)
Foreign currency translation	(473)	74
	(471)	**75**
Total other comprehensive income/(loss), net of tax	**(473)**	**75**
Total comprehensive income	**119**	**656**
Profit attributable to:		
Owners of the company	590	580
Non-controlling interests	2	1
	592	**581**
Total comprehensive income attributable to:		
Owners of the company	117	655
Non-controlling interests	2	1
	119	**656**
Earnings per equity share		
Basic ($)	0.14	0.13
Diluted ($)	0.14	0.13
Weighted average equity shares used in computing earnings per equity share		
Basic	4,240,181,854	4,347,129,592
Diluted	4,245,981,386	4,353,023,863

Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th- 32nd Floor
Senapathi Bapat Marg
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Maharashtra, India

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

Report on the Audit of the Interim Condensed Standalone Financial Statements

Opinion

We have audited the accompanying interim condensed standalone financial statements of **INFOSYS LIMITED** (the "Company"), which comprise the Condensed Balance Sheet as at March 31, 2020, the Condensed Statement of Profit and Loss (including Other Comprehensive Income) for the three months and year ended on that date, the Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "interim condensed standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim condensed standalone financial statements give a true and fair view in conformity with Indian Accounting Standard 34 - "Interim Financial Reporting" ("Ind AS 34') prescribed under section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income for the three months and year ended on that date, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the interim condensed standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Interim Condensed Standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the interim condensed standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the interim condensed standalone financial statements.

Emphasis of Matter

As more fully described in Note 2.20 to the Interim Condensed Standalone Financial Statements, the Company is responding to inquiries from Indian regulatory authorities. The scope, duration or outcome of these matters are uncertain.

Our opinion is not modified in respect of this matter.

Management Responsibilities for the Interim Condensed Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these interim condensed standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS 34 and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the interim condensed standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Interim Condensed Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the interim condensed standalone 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 interim condensed standalone financial statements.

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 interim condensed standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim condensed standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the interim condensed standalone financial statements, including the disclosures, and whether the interim condensed standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the interim condensed standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the interim condensed standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the interim condensed standalone financial statements.

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.

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.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)



Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
UDIN:

Place: Mumbai
Date: April 20, 2020

INFOSYS LIMITED

Condensed Standalone Financial Statements
under Indian Accounting Standards (Ind AS)
for the three months and year ended March 31, 2020

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INFOSYS LIMITED

(In ₹ crore)

Condensed Balance Sheet as at	Note No.	March 31, 2020	March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	11,092	10,394
Right-of-use assets	2.2	2,805	-
Capital work-in-progress		945	1,212
Goodwill		29	29
Other intangible assets		48	74
Financial assets			
Investments	2.3	13,916	12,062
Loans	2.4	298	16
Other financial assets	2.5	613	196
Deferred tax assets (net)		1,429	1,114
Income tax assets (net)		4,773	5,870
Other non-current assets	2.8	1,273	1,740
Total non - current Assets		**37,221**	**32,707**
Current assets			
Financial assets			
Investments	2.3	4,006	6,077
Trade receivables	2.6	15,459	13,370
Cash and cash equivalents	2.7	13,562	15,551
Loans	2.4	307	1,048
Other financial assets	2.5	4,398	4,834
Income tax assets (net)		-	423
Other current assets	2.8	6,088	4,920
Total current assets		**43,820**	**46,223**
Total Assets		**81,041**	**78,930**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.10	2,129	2,178
Other equity		60,105	60,533
Total equity		**62,234**	**62,711**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.2	2,775	-
Other financial liabilities	2.11	49	79
Deferred tax liabilities (net)		556	541
Other non-current liabilities	2.13	207	169
Total non - current liabilities		**3,587**	**789**
Current liabilities			
Financial liabilities			
Trade payables	2.12		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,529	1,604
Lease liabilities	2.2	390	-
Other financial liabilities	2.11	7,936	8,528
Other current liabilities	2.13	3,557	3,335
Provisions	2.14	506	505
Income tax liabilities (net)		1,302	1,458
Total current liabilities		**15,220**	**15,430**
Total equity and liabilities		**81,041**	**78,930**

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

U.B. Pravin Rao
Chief Operating Officer and Whole-time Director

Bengaluru
April 20, 2020

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A.G.S. Manikantha
Company Secretary

INFOSYS LIMITED

(In ₹ crore except equity share and per equity share data)

Condensed Statement of Profit and Loss for the	Note No.	Three months ended March 31,		Year ended March 31,	
		2020	2019	2020	2019
Revenue from operations	2.16	20,187	18,935	79,047	73,107
Other income, net	2.17	585	639	2,700	2,852
Total income		**20,772**	**19,574**	**81,747**	**75,959**
Expenses					
Employee benefit expenses	2.18	10,666	10,198	42,434	38,296
Cost of technical sub-contractors		2,168	2,040	8,447	7,646
Travel expenses		564	486	2,241	1,906
Cost of software packages and others	2.18	457	392	1,656	1,646
Communication expenses		100	87	381	339
Consultancy and professional charges		284	312	1,066	1,096
Depreciation and amortization expense		548	429	2,144	1,599
Finance cost	2.2	31	-	114	-
Other expenses	2.18	826	677	2,787	2,770
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for sale"	2.3.1	-	-	-	469
Reduction in the fair value of assets held for sale	2.3.1	-	-	-	265
Total expenses		**15,644**	**14,621**	**61,270**	**56,032**
Profit before tax		**5,128**	**4,953**	**20,477**	**19,927**
Tax expense:					
Current tax	2.15	1,194	1,053	5,235	5,189
Deferred tax	2.15	(135)	80	(301)	36
Profit for the period		**4,069**	**3,820**	**15,543**	**14,702**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		(25)	(3)	(184)	(21)
Equity instruments through other comprehensive income, net		(3)	9	(31)	78
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		-	(15)	(36)	21
Fair value changes on investments, net	2.3	13	22	17	1
Total other comprehensive income/ (loss), net of tax		**(15)**	**13**	**(234)**	**79**
Total comprehensive income for the period		**4,054**	**3,833**	**15,309**	**14,781**
Earnings per equity share					
Equity shares of par value ₹5/- each					
Basic (₹)		9.55	8.75	36.34	33.66
Diluted (₹)		9.55	8.74	36.32	33.64
Weighted average equity shares used in computing earnings per equity share					
Basic	2.19	4,25,87,77,469	4,36,77,59,601	4,27,70,30,249	4,36,82,12,119
Diluted	2.19	4,26,04,38,735	4,36,98,24,380	4,27,98,08,826	4,37,04,12,348

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar	Nandan M. Nilekani	Salil Parekh	U.B. Pravin Rao
Partner	*Chairman*	*Chief Executive officer*	*Chief Operating Officer*
Membership No. 39826		*and Managing Director*	*and Whole-time Director*
Bengaluru	D. Sundaram	Nilanjan Roy	A.G.S. Manikantha
April 20, 2020	*Director*	*Chief Financial Officer*	*Company Secretary*

INFOSYS LIMITED

Condensed Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity Share Capital	Other Equity											Total equity attributable to equity holders of the Company
		Reserves & Surplus								Other comprehensive income			
		Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [1]	Capital reserve		Capital redemption reserve	Equity Instruments through other comprehensive income	Effective portion of Cash flow hedges	Other items of other comprehensive income / (loss)	
							Capital reserve	Other reserves[2]					
Balance as at April 1, 2018	**1,092**	**28**	**55,671**	**1,677**	**130**	**1,559**	**54**	**3,219**	**56**	**2**	**-**	**14**	**63,502**
Changes in equity for the year ended March 31, 2019													
Profit for the period	-	-	14,702	-	-	-	-	-	-	-	-	-	14,702
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	-	-	-	-	-	(21)	(21)
Equity instruments through other comprehensive income* (refer note no. 2.3)	-	-	-	-	-	-	-	-	-	78	-	-	78
Fair value changes on derivatives designated as cash flow hedge* (refer note no. 2.9)	-	-	-	-	-	-	-	-	-	-	21	-	21
Fair value changes on investments, net* (refer note no. 2.3)	-	-	-	-	-	-	-	-	-	-	-	1	1
Total comprehensive income for the period	**-**	**-**	**14,702**	**-**	**-**	**-**	**-**	**-**	**-**	**78**	**21**	**(20)**	**14,781**
Transfer to general reserve	-	-	(1,615)	1,615	-	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(2,306)	-	-	2,306	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	1,386	-	-	(1,386)	-	-	-	-	-	-	-
Amount transferred to capital redemption reserve upon buyback	-	-	-	(5)	-	-	-	-	5	-	-	-	-
Exercise of stock options (refer note no. 2.10)	-	99	-	-	(99)	-	-	-	-	-	-	-	-
Transfer on account of options not exercised	-	-	-	1	(1)	-	-	-	-	-	-	-	-
Increase in share capital on account of Bonus issue	1,092	-	-	-	-	-	-	-	-	-	-	-	1,092
Amount utilised for Bonus issue	-	-	-	(1,092)	-	-	-	-	-	-	-	-	(1,092)
Share based payment to employees (refer note no. 2.10)	-	-	-	-	197	-	-	-	-	-	-	-	197
Income tax benefit arising on exercise of stock options	-	8	-	-	-	-	-	-	-	-	-	-	8
Buyback of equity shares	(6)	-	-	(1,994)	-	-	-	-	-	-	-	-	(2,000)
Transaction cost relating to buyback*	-	-	-	(12)	-	-	-	-	-	-	-	-	(12)
Dividends (including dividend distribution tax)	-	-	(13,768)	-	-	-	-	-	-	-	-	-	(13,768)
Share issued on exercise of employee stock options (refer note no. 2.10)	-	3	-	-	-	-	-	-	-	-	-	-	3
Balance as at March 31, 2019	**2,178**	**138**	**54,070**	**190**	**227**	**2,479**	**54**	**3,219**	**61**	**80**	**21**	**(6)**	**62,711**

INFOSYS LIMITED

Condensed Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity Share Capital	Other Equity								Other comprehensive income			Total equity attributable to equity holders of the Company
		Reserves & Surplus					Capital reserve						
		Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [1]	Capital reserve	Other reserves[2]	Capital redemption reserve	Equity Instruments through other comprehensive income	Effective portion of Cash flow hedges	Other items of other comprehensive income / (loss)	
Balance as at April 1, 2019	**2,178**	**138**	**54,070**	**190**	**227**	**2,479**	**54**	**3,219**	**61**	**80**	**21**	**(6)**	**62,711**
Impact on account of adoption of Ind AS 116 (Refer to note 2.2)	-	-	(17)	-	-	-	-	-	-	-	-	-	(17)
	2,178	**138**	**54,053**	**190**	**227**	**2,479**	**54**	**3,219**	**61**	**80**	**21**	**(6)**	**62,694**
Changes in equity for the year ended March 31, 2020													
Profit for the period	-	-	15,543	-	-	-	-	-	-	-	-	-	15,543
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	-	-	-	-	-	(184)	(184)
Equity instruments through other comprehensive income*	-	-	-	-	-	-	-	-	-	(31)	-	-	(31)
Fair value changes on derivatives designated as cash flow hedge*	-	-	-	-	-	-	-	-	-	-	(36)	-	(36)
Fair value changes on investments*	-	-	-	-	-	-	-	-	-	-	-	17	17
Total comprehensive income for the period	**-**	**-**	**15,543**	**-**	**-**	**-**	**-**	**-**	**-**	**(31)**	**(36)**	**(167)**	**15,309**
Transfer to general reserve	-	-	(1,470)	1,470	-	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(2,464)	-	-	2,464	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	1,036	-	-	(1,036)	-	-	-	-	-	-	-
Amount transferred to capital redemption reserve upon buyback (refer note no. 2.10)	-	-	-	(50)	-	-	-	-	50	-	-	-	-
Exercise of stock options (refer note no.2.10)	-	119	-	-	(119)	-	-	-	-	-	-	-	-
Transfer on account of options not exercised	-	-	-	1	(1)	-	-	-	-	-	-	-	-
Shares issued on exercise of employee stock options (refer note no.2.10)	-	2	-	-	-	-	-	-	-	-	-	-	2
Effect of modification of equity settled share based payment awards to cash settled awards (refer note no.2.10)	-	-	(9)	-	(48)	-	-	-	-	-	-	-	(57)
Share based payments to employees (refer to note no. 2.10)	-	-	-	-	238	-	-	-	-	-	-	-	238
Reserves on common control transactions (refer to note no. 2.21)	-	-	-	-	-	-	-	(137)	-	-	-	-	(137)
Income tax benefit arising on exercise of stock options	-	9	-	-	-	-	-	-	-	-	-	-	9
Buyback of equity shares (refer note no. 2.10)	(49)	-	(4,717)	(1,494)	-	-	-	-	-	-	-	-	(6,260)
Transaction cost relating to buyback* (refer note no 2.10)	-	-	-	(11)	-	-	-	-	-	-	-	-	(11)
Dividends (including dividend distribution tax)	-	-	(9,553)	-	-	-	-	-	-	-	-	-	(9,553)
Balance as at March 31, 2020	**2,129**	**268**	**52,419**	**106**	**297**	**3,907**	**54**	**3,082**	**111**	**49**	**(15)**	**(173)**	**62,234**

**net of tax*

[1] The Special Economic Zone Re-investment Reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Sec 10AA(1)(ii) of Income Tax Act,1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in the terms of the Sec 10AA(2) of the Income Tax Act, 1961.

[2] Profit / loss on transfer of business between entities under common control taken to reserve.

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

As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer
and Managing Director

U.B. Pravin Rao
Chief Operating Officer
and Whole-time Director

Bengaluru
April 20, 2020

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A.G.S. Manikantha
Company Secretary

INFOSYS LIMITED

Condensed Statement of Cash Flows

Accounting Policy

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(In ₹ crore)

Particulars	Note No.	Year ended March 31,	
		2020	2019
Cash flow from operating activities:			
Profit for the period		15,543	14,702
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization	2.1	2,144	1,599
Income tax expense	2.15	4,934	5,225
Impairment loss recognized / (reversed) under expected credit loss model		127	176
Finance cost	2.2	114	-
Interest and dividend income		(1,502)	(1,996)
Stock compensation expense		226	-
Other adjustments		(248)	57
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for sale"	2.3.1	-	469
Reduction in the fair value of assets held for sale	2.3.1	-	265
Exchange differences on translation of assets and liabilities		17	80
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(3,621)	(2,268)
Other financial assets and other assets		319	(581)
Trade payables		(75)	866
Other financial liabilities, other liabilities and provisions		1,475	1,666
Cash generated from operations		**19,453**	**20,260**
Income taxes paid		(3,881)	(6,271)
Net cash generated by operating activities		**15,572**	**13,989**
Cash flow from investing activities:			
Expenditure on property, plant and equipment		(3,063)	(2,306)
Deposits placed with corporations		(112)	(116)
Loans to employees		(2)	4
Loan given to subsidiaries		(1,210)	(678)
Loan repaid by subsidiaries		444	20
Proceeds from redemption of debentures		286	335
Investment in subsidiaries		(1,338)	(228)
Proceeds from return of investment		-	33
Payment towards acquisition of business	2.3	-	(261)
Payment of contingent consideration pertaining to acquisition		(6)	(6)
Redemption of escrow pertaining to buyback	2.5	257	(257)
Other receipts		46	-
Payments to acquire investments			
Preference, equity securities and others		(41)	(18)
Liquid mutual fund units and fixed maturity plan securities		(30,500)	(72,889)
Tax free bonds and Government bonds		(11)	(11)
Certificates of deposit		(876)	(2,052)
Commercial paper		-	(491)
Non Convertible debentures		(733)	(100)
Government Securities		(1,561)	(838)
Others		(2)	-
Proceeds on sale of investments			
Preference and equity securities		-	115
Liquid mutual fund units and fixed maturity plan securities		30,332	71,337
Tax free bonds and Government bonds		12	1
Non-convertible debentures		1,788	602
Certificates of deposit		2,175	5,150
Commercial paper		500	300
Government Securities		1,673	123
Others		9	-
Interest and dividend received		1,817	1,644
Net cash used in investing activities		**(116)**	**(587)**

Cash flow from financing activities:			
Payment of lease liabilities	2.2	(364)	-
Buyback of equity shares including transaction cost		(7,478)	(813)
Shares issued on exercise of employee stock options		2	3
Payment of dividends (including dividend distribution tax)		(9,551)	(13,761)
Net cash used in financing activities		**(17,391)**	**(14,571)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(54)	(50)
Net increase / (decrease) in cash and cash equivalents		(1,935)	(1,169)
Cash and cash equivalents at the beginning of the period	2.7	15,551	16,770
Cash and cash equivalents at the end of the period	2.7	**13,562**	**15,551**
Supplementary information:			
Restricted cash balance	2.7	101	143

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

As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar	Nandan M. Nilekani	Salil Parekh	U.B. Pravin Rao
Partner	*Chairman*	*Chief Executive officer*	*Chief Operating Officer*
Membership No. 39826		*and Managing Director*	*and Whole-time Director*
Bengaluru	D. Sundaram	Nilanjan Roy	A.G.S. Manikantha
April 20, 2020	*Director*	*Chief Financial officer*	*Company Secretary*

INFOSYS LIMITED

Notes to the interim condensed standalone financial statements

1. Overview

1.1 Company overview

Infosys Limited ('the Company' or Infosys) is a leading provider of consulting, technology, outsourcing and next-generation digital services, enabling clients to execute strategies for their digital transformation. Infosys strategic objective is to build a sustainable organization that remains relevant to the agenda of clients, while creating growth opportunities for employees and generating profitable returns for investors. Infosys strategy is to be a navigator for our clients as they ideate, plan and execute on their journey to a digital future.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Electronic city, Hosur Road, Bengaluru 560100, Karnataka, India. The company has its primary listings on the BSE Ltd. and National Stock Exchange of India Limited. The Company's American Depositary Shares (ADS) representing equity shares are listed on the New York Stock Exchange (NYSE).

The interim condensed standalone financial statements are approved for issue by the Company's Board of Directors on April 20, 2020.

1.2 Basis of preparation of financial statements

These interim condensed standalone financial statements are prepared in accordance with Indian Accounting Standard 34 (Ind AS 34), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accordingly, these interim condensed standalone financial statements do not include all the information required for a complete set of financial statements. These interim condensed standalone financial statements should be read in conjunction with the standalone financial statements and related notes included in the Company's Annual Report for the year ended March 31, 2019. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As the quarter and year figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year figures reported in this statement.

1.3 Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note no. 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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

The company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and Investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts . The company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these condensed financial statements.

1.4 Critical accounting estimates and judgments

a. Revenue recognition

The Company's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgement.

Fixed price maintenance revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed price maintenance contract is recognized ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Company's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of method to recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

The Company uses the percentage-of-completion method in accounting for other fixed-price contracts. Use of the percentage-of-completion method requires the Company to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

b. Income taxes

The Company's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other overseas jurisdictions.

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer note no. 2.15 and note no. 2.20.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, 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 income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

c. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Refer note no. 2.1

d. 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 Infosys'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 changes are required to lease period relating to the existing lease contracts. Refer note no 2.2

e. Non-current assets held for sale

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach) which includes unobservable inputs. Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell . Recoverable amounts of assets reclassified from held for sale have been estimated using management's assumptions which consist of significant unobservable inputs.

f. Loss allowance for receivables and unbilled revenues

The company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The company considered current and anticipated future economic conditions relating to industries the company deals with and the countries where it operates. In calculating expected credit loss, the company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

2.1 PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building[(1)]	22-25 years
Plant and machinery[(1)(2)]	5 years
Office equipment	5 years
Computer equipment[(1)]	3-5 years
Furniture and fixtures[(1)]	5 years
Vehicles[(1)]	5 years
Leasehold improvements	Lower of useful life of the asset or lease term

[(1)] *Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.*

[(2)] *Includes Solar plant with a useful life of 20 years*

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Impairment

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 Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized 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 depreciation) had no impairment loss been recognized for the asset in prior years.

The changes in the carrying value of property, plant and equipment for the three months ended March 31, 2020 are as follows: (In ₹ crore)

Particulars	Land- Freehold	Buildings[(1)(2)]	Plant and machinery[(2)]	Office Equipment[(2)]	Computer equipment[(2)]	Furniture and fixtures[(2)]	Leasehold Improvements	Vehicles	Total
Gross carrying value as at January 1, 2020	**1,314**	**8,511**	**2,916**	**1,042**	**5,586**	**1,766**	**646**	**42**	**21,823**
Additions	2	527	122	53	136	110	38	2	990
Deletions	-	-	-	(1)	(32)	(1)	(15)	(1)	(50)
Gross carrying value as at March 31, 2020	**1,316**	**9,038**	**3,038**	**1,094**	**5,690**	**1,875**	**669**	**43**	**22,763**
Accumulated depreciation as at January 1, 2020	**-**	**(3,032)**	**(1,979)**	**(759)**	**(4,056)**	**(1,191)**	**(230)**	**(25)**	**(11,272)**
Depreciation	-	(82)	(74)	(29)	(172)	(56)	(33)	(2)	(448)
Accumulated depreciation on deletions	-	-	-	1	31	1	15	1	49
Accumulated depreciation as at March 31, 2020	**-**	**(3,114)**	**(2,053)**	**(787)**	**(4,197)**	**(1,246)**	**(248)**	**(26)**	**(11,671)**
Carrying value as at January 1, 2020	**1,314**	**5,479**	**937**	**283**	**1,530**	**575**	**416**	**17**	**10,551**
Carrying value as at March 31, 2020	**1,316**	**5,924**	**985**	**307**	**1,493**	**629**	**421**	**17**	**11,092**

The changes in the carrying value of property, plant and equipment for the three months ended March 31, 2019 are as follows: (In ₹ crore)

Particulars	Land-Freehold	Land-Leasehold	Buildings[1][2]	Plant and machinery[2]	Office Equipment[2]	Computer equipment[2]	Furniture and fixtures[2]	Leasehold Improvements	Vehicles	Total
Gross carrying value as at January 1, 2019	**1,269**	**640**	**7,784**	**2,341**	**908**	**4,746**	**1,344**	**305**	**34**	**19,371**
Additions	36	-	402	325	58	419	131	111	3	1,485
Deletions	-	(47)	(116)	(54)	(28)	(113)	(21)	(2)	-	(381)
Gross carrying value as at March 31, 2019	**1,305**	**593**	**8,070**	**2,612**	**938**	**5,052**	**1,454**	**414**	**37**	**20,475**
Accumulated depreciation as at January 1, 2019	**-**	**(34)**	**(2,827)**	**(1,739)**	**(665)**	**(3,534)**	**(1,011)**	**(133)**	**(20)**	**(9,963)**
Depreciation	-	(1)	(73)	(69)	(28)	(184)	(44)	(22)	(1)	(422)
Accumulated depreciation on deletions	-	3	103	46	21	113	16	2	-	304
Accumulated depreciation as at March 31, 2019	**-**	**(32)**	**(2,797)**	**(1,762)**	**(672)**	**(3,605)**	**(1,039)**	**(153)**	**(21)**	**(10,081)**
Carrying value as at January 1, 2019	**1,269**	**606**	**4,957**	**602**	**243**	**1,212**	**333**	**172**	**14**	**9,408**
Carrying value as at March 31, 2019	**1,305**	**561**	**5,273**	**850**	**266**	**1,447**	**415**	**261**	**16**	**10,394**

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2020 are as follows: (In ₹ crore)

Particulars	Land-Freehold	Land-Leasehold	Buildings[1][2]	Plant and machinery[2]	Office Equipment[2]	Computer equipment[2]	Furniture and fixtures[2]	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2019	**1,305**	**593**	**8,070**	**2,612**	**938**	**5,052**	**1,454**	**414**	**37**	**20,475**
Additions	11		968	428	159	765	427	270	7	3,035
Reclassified on account of adoption of Ind AS 116 (Refer to note 2.2)	-	(593)	-	-	-	-	-	-	-	(593)
Deletions	-	-	-	(2)	(3)	(127)	(6)	(15)	(1)	(154)
Gross carrying value as at March 31, 2020	**1,316**	**-**	**9,038**	**3,038**	**1,094**	**5,690**	**1,875**	**669**	**43**	**22,763**
Accumulated depreciation as at April 1, 2019	**-**	**(32)**	**(2,797)**	**(1,762)**	**(672)**	**(3,605)**	**(1,039)**	**(153)**	**(21)**	**(10,081)**
Depreciation	-		(317)	(293)	(118)	(718)	(213)	(110)	(6)	(1,775)
Reclassified on account of adoption of Ind AS 116 (Refer to note 2.2)	-	32	-	-	-	-	-	-	-	32
Accumulated depreciation on deletions	-		-	2	3	126	6	15	1	153
Accumulated depreciation as at March 31, 2020	**-**	**-**	**(3,114)**	**(2,053)**	**(787)**	**(4,197)**	**(1,246)**	**(248)**	**(26)**	**(11,671)**
Carrying value as at April 1, 2019	**1,305**	**561**	**5,273**	**850**	**266**	**1,447**	**415**	**261**	**16**	**10,394**
Carrying value as at March 31, 2020	**1,316**	**-**	**5,924**	**985**	**307**	**1,493**	**629**	**421**	**17**	**11,092**

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2019 are as follows: (In ₹ crore)

Particulars	Land-Freehold	Land-Leasehold	Buildings[1][2]	Plant and machinery[2]	Office Equipment[2]	Computer equipment[2]	Furniture and fixtures[2]	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2018	**1,227**	**661**	**7,271**	**2,209**	**841**	**4,229**	**1,247**	**235**	**29**	**17,949**
Additions	78	-	915	460	130	1,023	238	187	9	3,040
Deletions	-	(68)	(116)	(57)	(33)	(200)	(31)	(8)	(1)	(514)
Gross carrying value as at March 31, 2019	**1,305**	**593**	**8,070**	**2,612**	**938**	**5,052**	**1,454**	**414**	**37**	**20,475**
Accumulated depreciation as at April 1, 2018	**-**	**(30)**	**(2,621)**	**(1,526)**	**(582)**	**(3,143)**	**(896)**	**(107)**	**(17)**	**(8,922)**
Depreciation	-	(5)	(278)	(285)	(116)	(660)	(169)	(54)	(5)	(1,572)
Accumulated depreciation on deletions	-	3	102	49	26	198	26	8	1	413
Accumulated depreciation as at March 31, 2019	**-**	**(32)**	**(2,797)**	**(1,762)**	**(672)**	**(3,605)**	**(1,039)**	**(153)**	**(21)**	**(10,081)**
Carrying value as at April 1, 2018	**1,227**	**631**	**4,650**	**683**	**259**	**1,086**	**351**	**128**	**12**	**9,027**
Carrying value as at March 31, 2019	**1,305**	**561**	**5,273**	**850**	**266**	**1,447**	**415**	**261**	**16**	**10,394**

[1] Buildings include ₹250/- being the value of five shares of ₹50/- each in Mittal Towers Premises Co-operative Society Limited.

[2] Includes certain assets provided on cancellable operating lease to subsidiaries.

The aggregate depreciation has been included under depreciation and amortization expense in the interim condensed statement of Profit and Loss.

2.2 LEASES

Accounting Policy

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and 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.

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

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.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹1,861 crore, 'Net investment in sublease' of ROU asset of ₹430 crore and a lease liability of ₹2,491 crore. The cumulative effect of applying the standard, amounting to ₹17 crore was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note 2.19 of annual standalone financial statements forming part of 2019 Annual Report and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 4.4%

Following are the changes in the carrying value of right of use assets for the three months ended March 31, 2020:

(In ₹ crore)

Particulars	Category of ROU asset			Total
	Land	Buildings	Computers	
Balance as at January 1, 2020	555	1,974	42	2,571
Additions*	1	336	1	338
Deletion	-	(10)	-	(10)
Depreciation	(2)	(91)	(1)	(94)
Balance as at March 31, 2020	**554**	**2,209**	**42**	**2,805**

**Net of lease incentives of ` 47 crore related to lease of buildings*

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

(In ₹ crore)

Particulars	Category of ROU asset			Total
	Land	Buildings	Computers	
Balance as at April 1, 2019	-	1,861	-	1,861
Reclassified on account of adoption of Ind AS 116 (refer to note 2.1)	561	-	-	561
Additions*	1	737	49	787
Deletion	(3)	(58)	-	(61)
Depreciation	(5)	(331)	(7)	(343)
Balance as at March 31, 2020	**554**	**2,209**	**42**	**2,805**

**Net of lease incentives of ` 101 crore related to lease of buildings*

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the interim condensed statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

(In ₹ crore)

Particulars	As at March 31, 2020
Current lease liabilities	390
Non-current lease liabilities	2,775
Total	**3,165**

The following is the movement in lease liabilities during the three months and year ended March 31, 2020:

(In ₹ crore)

Particulars	Three Months ended March 31, 2020	Year ended March 31, 2020
Balance at the beginning	2,790	2,491
Additions	425	886
Finance cost accrued during the period	31	114
Deletions	(10)	(61)
Payment of lease liabilities	(162)	(418)
Translation Difference	91	153
Balance at the end	**3,165**	**3,165**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

(In ₹ crore)

Particulars	As at March 31, 2020
Less than one year	512
One to five years	1,744
More than five years	1,490
Total	**3,746**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹13 crore and ₹37 crore for the three months ended March 31, 2020 and year ended March 31,2020 respectively.

Rental income on assets given on operating lease to subsidiaries was ₹14 crore and ₹58 crore for the three months ended March 31, 2020 and year ended March 31,2020 respectively.

The following is the movement in the net investment in sublease in ROU asset during the three months and year ended March 31, 2020:

(In ₹ crore)

Particulars	Three Months ended March 31, 2020	Year ended March 31, 2020
Balance at the beginning of the period	**417**	**430**
Interest income accrued during the period	4	15
Lease receipts	(12)	(46)
Translation Difference	24	34
Balance at the end of the period	**433**	**433**

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset as at March 31, 2020 on an undiscounted basis:

(In ₹ crore)

Particulars	As at March 31, 2020
Less than one year	50
One to five years	217
More than five years	244
Total	**511**

Leases not yet commenced to which Company is committed amounts to `655 crore for a lease term ranging from 2 years to 13 years.

2.3 INVESTMENTS AND ASSETS HELD FOR SALE

(In ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current investments		
Equity instruments of subsidiaries	7,553	6,349
Debentures of subsidiary	1,159	1,445
Redeemable Preference shares of subsidiary	1,318	-
Preference securities and equity instruments	103	90
Others	30	16
Tax free bonds	1,825	1,828
Government bonds	13	-
Fixed maturity plans securities	-	401
Non-convertible debentures	1,251	1,209
Government Securities	664	724
Total non-current investments	**13,916**	**12,062**
Current investments		
Liquid mutual fund units	2,019	1,701
Certificates of deposit	886	2,123
Government bonds	-	12
Fixed maturity plans securities	428	-
Non-convertible debentures	673	1,746
Commercial paper	-	495
Total current investments	**4,006**	**6,077**
Total carrying value	**17,922**	**18,139**

(In ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current investments		
Unquoted		
Investment carried at cost		
Investments in equity instruments of subsidiaries		
Infosys BPM Limited 3,38,23,444 (3,38,22,319) equity shares of ₹10/- each, fully paid up	660	659
Infosys Technologies (China) Co. Limited	333	333
Infosys Technologies (Australia) Pty Limited [(1)] Nil (1,01,08,869) equity shares of AUD 0.11 par value, fully paid	-	5
Infosys Technologies, S. de R.L. de C.V., Mexico 17,49,99,990 (17,49,99,990) equity shares of MXN 1 par value, fully paid up	65	65
Infosys Technologies (Sweden) AB 1,000 (1,000) equity shares of SEK 100 par value, fully paid	76	76
Infosys Technologia do Brasil Ltda Nil (12,84,20,748) shares of BRL 1.00 par value, fully paid	-	276
Infosys Technologies (Shanghai) Company Limited	900	900
Infosys Public Services, Inc. 3,50,00,000 (3,50,00,000) shares of USD 0.50 par value, fully paid	99	99
Infosys Consulting Holding AG 23,350 (23,350) - Class A shares of CHF 1,000 each and 26,460 (26,460) - Class B Shares of CHF 100 each, fully paid up	1,323	1,323
Infosys Americas Inc. 10,000 (10,000) shares of USD 10 per share, fully paid up	1	1
EdgeVerve Systems Limited 1,31,18,40,000 (1,31,18,40,000) equity shares of ₹10/- each, fully paid up	1,312	1,312
Infosys Nova Holdings LLC [(1)]	1,335	-
Infosys Consulting Pte Ltd 1,09,90,000 (1,09,90,000) shares of SGD 1.00 par value, fully paid	10	10
Brilliant Basics Holding Limited 1,346 (1,346) shares of GBP 0.005 each, fully paid up	59	59
Infosys Arabia Limited 70 (70) shares	2	2
Kallidus Inc. 10,21,35,416 (10,21,35,416) shares	150	150
Skava Systems Private Limited 25,000 (25,000) shares of ₹10/- each, fully paid up	59	59
Panaya Inc. 2 (2) shares of USD 0.01 per share, fully paid up	582	582
Infosys Chile SpA 100 (100) shares	7	7
Wongdoody Holding Company Inc 2,000 (2,000) shares	359	350
Infosys Luxembourg S.a r.l. 3,700 (3,700) shares	4	4
Infosys Austria GmBH (formerly known as Lodestone Management Consultants GmbH) 80,000 (80,000) shares of EUR 1 par value, fully paid up		-
Infosys Consulting Brazil 16,49,15,570 (8,26,56,605) shares of BRL 1 per share, fully paid up	183	43
Infosys Romania 99,183 (99,183) shares of RON 100 per share, fully paid up	34	34
Investment in Redeemable Preference shares of subsidiary		
Infosys Consulting Pte Ltd 24,92,00,000 (Nil) shares of SGD 1 per share, fully paid up	1,318	-
	8,871	**6,349**
Investment carried at amortized cost		
Investment in debentures of subsidiary		
EdgeVerve Systems Limited 12,58,00,000 (14,45,00,000) Unsecured redeemable, non-convertible debentures of ₹ 100/- each fully paid up	1,159	1,445
	1,159	**1,445**

Investments carried at fair value through profit or loss		
Others [2]	30	16
	30	**16**
Investment carried at fair value through other comprehensive income (FVOCI)		
Preference securities	101	89
Equity instruments	2	1
	103	**90**
Quoted		
Investments carried at amortized cost		
Tax free bonds	1,825	1,828
Government bonds	13	-
	1,838	**1,828**
Investments carried at fair value through profit or loss		
Fixed maturity plans securities	-	401
	-	**401**
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	1,251	1,209
Government Securities	664	724
	1,915	**1,933**
Total non-current investments	**13,916**	**12,062**
Current investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	2,019	1,701
	2,019	**1,701**
Investments carried at fair value through other comprehensive income		
Commercial paper	-	495
Certificates of deposit	886	2,123
	886	**2,618**
Quoted		
Investments carried at amortized cost		
Government bonds	-	12
	-	**12**
Investments carried at fair value through profit or loss		
Fixed maturity plans securities	428	-
	428	**-**
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	673	1,746
	673	**1,746**
Total current investments	**4,006**	**6,077**
Total investments	**17,922**	**18,139**
Aggregate amount of quoted investments	4,854	5,920
Market value of quoted investments (including interest accrued), current	1,101	1,757
Market value of quoted investments (including interest accrued), non current	4,048	4,374
Aggregate amount of unquoted investments	13,068	12,219
[1] Aggregate amount of impairment in value of investments	121	122
Reduction in the fair value of assets held for sale	854	854
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	469	469
Investments carried at cost	8,871	6,349
Investments carried at amortized cost	2,997	3,285
Investments carried at fair value through other comprehensive income	3,577	6,387
Investments carried at fair value through profit or loss	2,477	2,118

[2] Uncalled capital commitments outstanding as of March 31, 2020 and March 31, 2019 was ₹15 crore and ₹17 crore, respectively.

Refer note no. 2.9 for accounting policies on financial instruments.

Method of fair valuation: *(In ₹ crore)*

Class of investment	Method	Fair value as at	
		March 31, 2020	March 31, 2019
Liquid mutual fund units	Quoted price	2,019	1,701
Fixed maturity plan securities	Market observable inputs	428	401
Tax free bonds and government bonds	Quoted price and market observable inputs	2,135	2,048
Non-convertible debentures	Quoted price and market observable inputs	1,924	2,955
Government Securities	Quoted price	664	724
Certificate of deposits	Market observable inputs	886	2,123
Commercial paper	Market observable inputs	-	495
Unquoted equity and preference securities	Discounted cash flows method, Market multiples method, Option pricing model, etc.	103	90
Others	Discounted cash flows method, Market multiples method, Option pricing model, etc.	30	16

Certain quoted investments are classified as Level 2 in the absence of active market for such investments.

Proposed transfer

On October 11, 2019 , the Board of Directors of Infosys authorized the Company to execute a Business Transfer Agreement and related documents with its wholly owned subsidiaries, Kallidus Inc and Skava Systems Private Limited (together referred to as Skava), to transfer the business of Skava to Infosys Limited, subject to securing the requisite regulatory approvals for a consideration based on an independent valuation. The transaction is between a holding company and a wholly owned subsidiary and the resulting impact would be recorded in "Business Transfer Reserve" at the time of transfer.

2.3.1 Assets held for sale

Accounting Policy

Non-current assets and Disposal Group are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset or the Disposal Group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets and Disposal Group held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the Disposal Group no longer meets the "Held for sale" criteria.

In the year ended March 31, 2018 the Company had initiated identification and evaluation of potential buyers for the sale of its investment in subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya. The investment in these subsidiaries was classified and presented separately as "held for sale" and was carried at the lower of carrying value and fair value. During the year ended March 31, 2019, on remeasurement, including consideration of progress in negotiations on offers from prospective buyers for Panaya, the Company has recorded a reduction in the fair value of investment amounting to ₹265 crore in respect of Panaya.

Further, based on evaluation of proposals received and progress of negotiations with potential buyers, the Company concluded that the investments in Panaya and Skava does not meet the criteria for "Held for Sale' classification because it is no longer highly probable that sale would be consummated by March 31, 2019 (twelve months from date of initial classification " as held for sale") Accordingly, in accordance with Ind AS 105 -" Non current Assets held for Sale and Discontinued Operations", the investment in subsidiaries, Panaya and Skava have been included in non-current investments line item in the standalone financial statements as at March 31, 2019.

On reclassification from "Held for sale", the investment in subsidiaries, Panaya and Skava have been remeasured at the lower of cost and recoverable amount resulting in recognition of an adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" of ₹469 crore in respect of Skava in the standalone statement of profit and loss for the year ended March 31, 2019.

2.4 LOANS

(In ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Non- Current		
Loan receivables considered good - Unsecured		
Loans to subsidiaries	277	-
Other Loans		
Loans to employees	21	16
	298	**16**
Unsecured, considered doubtful		
Other Loans		
Loans to employees	24	18
	322	**34**
Less: Allowance for doubtful loans to employees	24	18
Total non - current loans	**298**	**16**
Current		
Loan receivables considered good - Unsecured		
Loans to subsidiaries	103	841
Other Loans		
Loans to employees	204	207
Total current loans	**307**	**1,048**
Total Loans	**605**	**1,064**

2.5 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Security deposits [(1)]	46	47
Net investment in Sublease of right of use asset (refer to note 2.2) [(1)]	398	-
Rental deposits [(1)]	169	149
Total non-current other financial assets	**613**	**196**
Current		
Security deposits [(1)]	1	1
Rental deposits [(1)]	4	3
Restricted deposits [(1)*]	1,643	1,531
Unbilled revenues [(1)(5)#]	1,973	1,541
Interest accrued but not due [(1)]	441	865
Foreign currency forward and options contracts [(2)(3)]	19	321
Net investment in Sublease of right of use asset (refer to note 2.2) [(1)]	35	-
Escrow and other deposits pertaining to buyback (refer to note 2.10)[(1)]	-	257
Others [(1)(4)]	282	315
Total current other financial assets	**4,398**	**4,834**
Total other financial assets	**5,011**	**5,030**
[(1)] Financial assets carried at amortized cost	4,992	4,709
[(2)]Financial assets carried at fair value through other comprehensive income	9	37
[(3)]Financial assets carried at fair value through Profit or Loss	10	284
[(4)] Includes dues from subsidiaries	65	34
[(5)] Includes dues from subsidiaries	84	51

* Restricted deposits represent deposit with financial institutions to settle employee related obligations as and when they arise during the normal course of business.

[#] Classified as financial asset as right to consideration is unconditional and is due only after a passage of time.

2.6 TRADE RECEIVABLES

(In ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Unsecured		
Considered good[(2)]	15,459	13,370
Considered doubtful	491	431
	15,950	13,801
Less: Allowances for credit losses	491	431
Total trade receivables*[(1)]*	**15,459**	**13,370**
[(1)] Includes dues from companies where directors are interested	-	-
[(2)] Includes dues from subsidiaries	408	325

2.7 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Balances with banks		
In current and deposit accounts	8,048	10,957
Cash on hand	-	-
Others		
Deposits with financial institutions	5,514	4,594
Total Cash and cash equivalents	**13,562**	**15,551**
Balances with banks in unpaid dividend accounts	30	29
Deposit with more than 12 months maturity	6,171	6,048
Balances with banks held as margin money deposits against guarantees	71	114

Cash and cash equivalents as at March 31, 2020 and March 31, 2019 include restricted cash and bank balances of ₹101 crore and ₹143 crore, respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

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

2.8 OTHER ASSETS

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Non-current		
Capital advances	310	486
Others		
Prepaid expenses	51	95
Prepaid gratuity	143	25
Deferred contract cost	10	226
Withholding taxes and others	759	908
Total non-current other assets	**1,273**	**1,740**
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	129	94
Others		
Unbilled revenues[2]	3,856	2,904
Prepaid expenses [1]	736	580
Deferred contract cost	11	52
Withholding taxes and others	1,356	1,290
Total current other assets	**6,088**	**4,920**
Total other assets	**7,361**	**6,660**
[1] *Includes dues from subsidiaries*	168	109

[2] *Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.*

Withholding taxes and others primarily consist of input tax credits and Cenvat recoverable from Government of India. As at March 31, 2020 Cenvat recoverable includes ₹355 crore which are pending adjudication. The Company expects these amounts to be sustainable on adjudication and recoverable on final resolution.

2.9 FINANCIAL INSTRUMENTS

Accounting Policy

2.9.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

2.9.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order 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.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it 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. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

b. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(i) Financial assets or financial liabilities, at fair value through profit or loss.

This category includes derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

(ii) Cash flow hedge

The Company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to net profit in the Statement of Profit and Loss.

2.9.3 Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.9.4 Fair value of financial instruments

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, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Refer to financial instruments by category table below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.9.5 Impairment

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets and unbilled revenues which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenues 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 recognized is recognized as an impairment gain or loss in statement of profit or loss.

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2020 are as follows:

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value	
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Assets:								
Cash and cash equivalents (Refer Note no. 2.7)	13,562	-	-	-	-	13,562	13,562	
Investments (Refer note no.2.3)								
Preference securities, Equity instruments and others	-	-	30	103	-	133	133	
Tax free bonds and government bonds	1,838	-	-	-	-	1,838	2,135	(2)
Liquid mutual fund units	-	-	2,019	-	-	2,019	2,019	
Redeemable, non-convertible debentures (1)	1,159	-	-	-	-	1,159	1,159	
Fixed maturity plan securities	-	-	428	-	-	428	428	
Commercial Paper	-	-	-	-	-	-	-	
Certificates of deposit	-	-	-	-	886	886	886	
Non convertible debentures	-	-	-	-	1,924	1,924	1,924	
Government Securities	-	-	-	-	664	664	664	
Trade receivables (Refer Note no. 2.6)	15,459	-	-	-	-	15,459	15,459	
Loans (Refer note no. 2.4)	605	-	-	-	-	605	605	
Other financial assets (Refer Note no. 2.5) (4)	4,992	-	10	-	9	5,011	4,929	(3)
Total	**37,615**	**-**	**2,487**	**103**	**3,483**	**43,688**	**43,903**	
Liabilities:								
Trade payables (Refer Note no. 2.12)	1,529	-	-	-	-	1,529	1,529	
Lease liabilities (Refer Note no. 2.2)	3,165	-	-	-	-	3,165	3,165	
Other financial liabilities (Refer Note no. 2.11)	5,827	-	592	-	20	6,439	6,439	
Total	**10,521**	**-**	**592**	**-**	**20**	**11,133**	**11,133**	

(1) The carrying value of debentures approximates fair value as the instruments are at prevailing market rates

(2) On account of fair value changes including interest accrued

(3) Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹82 crore

(4) Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones

The carrying value and fair value of financial instruments by categories as at March 31, 2019 were as follows:

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value	
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Assets:								
Cash and cash equivalents (Refer Note no. 2.7)	15,551	-	-	-	-	15,551	15,551	
Investments (Refer Note no. 2.3)								
Preference securities, Equity instruments and others	-	-	16	90	-	106	106	
Tax free bonds and government bonds	1,840	-	-	-	-	1,840	2,048	(2)
Liquid mutual fund units	-	-	1,701	-	-	1,701	1,701	
Redeemable, non-convertible debentures (1)	1,445	-	-	-	-	1,445	1,445	
Fixed maturity plan securities	-	-	401	-	-	401	401	
Certificates of deposit	-	-	-	-	2,123	2,123	2,123	
Government Securities	-	-	-	-	724	724	724	
Non convertible debentures	-	-	-	-	2,955	2,955	2,955	
Commercial paper	-	-	-	-	495	495	495	
Trade receivables (Refer Note no. 2.6)	13,370	-	-	-	-	13,370	13,370	
Loans (Refer note no. 2.4)	1,064	-	-	-	-	1,064	1,064	
Other financial assets (Refer Note no. 2.5)(4)	4,709	-	284	-	37	5,030	4,948	(3)
Total	**37,979**	**-**	**2,402**	**90**	**6,334**	**46,805**	**46,931**	
Liabilities:								
Trade payables (Refer note no. 2.12)	1,604	-	-	-	-	1,604	1,604	
Other financial liabilities (Refer Note no. 2.11)	7,067	-	128	-	1	7,196	7,196	
Total	**8,671**	**-**	**128**	**-**	**1**	**8,800**	**8,800**	

(1) The carrying value of debentures approximates fair value as the instruments are at prevailing market rates

(2) On account of fair value changes including interest accrued

(3) Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹82 crore

(4) Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value hierarchy of assets and liabilities as at March 31, 2020 is as follows:

(In ₹ crore)

Particulars	March 31, 2020	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in tax free bonds (Refer note no. 2.3)	2,122	1,960	162	-
Investments in government bonds (Refer note no. 2.3)	13	13	-	-
Investments in liquid mutual fund units (Refer note no. 2.3)	2,019	2,019	-	-
Investments in equity instruments (Refer note no. 2.3)	2	-	-	2
Investments in preference securities (Refer note no. 2.3)	101	-	-	101
Investments in fixed maturity plan securities (Refer note no. 2.3)	428	-	428	-
Investments in certificates of deposit (Refer note no. 2.3)	886	886	-	-
Investments in non convertible debentures (Refer note no. 2.3)	1,924	1,558	366	-
Investments in government securities (Refer note no. 2.3)	664	664	-	-
Other investments (Refer note no. 2.3)	30	-	-	30
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer note no. 2.5)	19	-	19	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer note no. 2.11)	461	-	461	-
Liability towards contingent consideration (Refer note no. 2.11)[(1)]	151	-	-	151

[(1)] *Discount rate pertaining to contingent consideration is 14%*

During the year ended March 31, 2020, tax free bonds and non-convertible debentures of ₹518 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on Quoted price, and tax free bonds of ₹50 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

The fair value hierarchy of assets and liabilities as at March 31, 2019 was as follows:

(In ₹ crore)

Particulars	March 31, 2019	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in government securities (Refer Note no. 2.3)	724	724	-	-
Investments in tax free bonds (Refer Note no. 2.3)	2,036	1,765	271	-
Investments in liquid mutual fund units (Refer Note no. 2.3)	1,701	1,701	-	-
Investments in government bonds (Refer Note no. 2.3)	12	12	-	-
Investments in equity instruments (Refer Note no. 2.3)	1	-	-	1
Investments in preference securities (Refer Note no. 2.3)	89	-	-	89
Investments in fixed maturity plan securities (Refer Note no. 2.3)	401	-	401	-
Investments in certificates of deposit (Refer Note no. 2.3)	2,123	-	2,123	-
Investments in non convertible debentures (Refer Note no. 2.3)	2,955	1,612	1,343	-
Investments in commercial paper (Refer Note no. 2.3)	495	-	495	-
Other investments (Refer Note no. 2.3)	16	-	-	16
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer Note no. 2.5)	321	-	321	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer note 2.11)	13	-	13	-
Liability towards contingent consideration (Refer note no. 2.11)[(1)]	116	-	-	116

[(1)] *Discount rate pertaining to contingent consideration ranges from 10% to 16%*

During the year ended March 31, 2019, tax free bonds and non-convertible debentures of ₹336 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on Quoted price, and ₹746 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets and liabilities does not have a significant impact in its value.

2.10 EQUITY

Accounting policy

Ordinary Shares

Ordinary shares are classified as equity share capital . Incremental costs directly attributable to the issuance of new ordinary shares, share options and buyback are recognized as a deduction from equity, net of any tax effects.

In December 2017, Ind AS 12 – Income Taxes was amended which clarified that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. On April 1, 2019, the Company adopted these amendments and there was no impact of these amendments on the Company's financial statements.

Description of reserves

Retained earnings

Retained earnings represent the amount of accumulated earnings of the Company.

Securities premium

The amount received in excess of the par value of equity shares has been classified as securities premium.

Share Options Outstanding Account

The Share options outstanding account is used to record the fair value of equity-settled share based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees.

Other Reserves

The Special Economic Zone Re-investment reserve has been created out of the profit of the eligible SEZ unit in terms of the provisions of Sec 10AA (1)(ii) of Income Tax Act, 1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in terms of the provisions of the Sec 10AA (2) of the Income Tax Act, 1961.

Capital Redemption Reserve

In accordance with section 69 of the Indian Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

Other components of equity

Other components of equity consist of remeasurement of net defined benefit liability / asset, equity instruments fair valued through other comprehensive income, changes on fair valuation of investments and changes in fair value of derivatives designated as cash flow hedges, net of taxes.

Cash flow hedge reserve

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of Profit and Loss upon the occurrence of the related forecasted transaction.

2.10.1 EQUITY SHARE CAPITAL

(In ₹ crore, except as otherwise stated)

Particulars	**As at**	
	March 31, 2020	**March 31, 2019**
Authorized		
Equity shares, ₹5/- par value		
4,80,00,00,000 (4,80,00,00,000) equity shares	2,400	2,400
Issued, Subscribed and Paid-Up		
Equity shares, ₹5/- par value [(1)]	2,129	2,178
4,25,89,92,566 (4,35,62,79,444) equity shares fully paid-up		
	2,129	**2,178**

[(1)] Refer note no. 2.19 for details of basic and diluted shares

Forfeited shares amounted to ₹1,500/- (₹1,500/-)

The Company has only one class of shares referred to as equity shares having a par value of ₹5/-. Each holder of equity shares is entitled to one vote per share. The equity shares represented by American Depository Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts. However, no such preferential amounts exist currently.

Update on buyback of equity shares

The shareholders approved the proposal of buyback of equity shares recommended by its Board of Directors in its meeting held on January 11, 2019 through the postal ballot that concluded on March 12, 2019.

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange commenced on March 20, 2019 and was completed on August 26, 2019 . During this buyback period the Company had purchased and extinguished a total of 110,519,266 equity shares from the stock exchange at an average buy back price of ₹747/- per equity share comprising 2.53% of the pre buyback paid-up equity share capital of the Company. The buyback resulted in a cash outflow of ₹8,260 crore (excluding transaction costs). The Company funded the buyback from its free reserves.

In accordance with section 69 of the Companies Act, 2013, as at March 31, 2020, the Company has created 'Capital Redemption Reserve' of ₹55 crore equal to the nominal value of the above shares bought back as an appropriation from general reserve.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of March 31, 2020, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2020 and March 31, 2019 is set out below:

in ₹ crore, except as stated otherwise

Particulars	**As at March 31, 2020**		**As at March 31, 2019**	
	Number of shares	**Amount**	**umber of shares**	**Amount**
As at the beginning of the period	4,35,62,79,444	2,178	2,18,41,14,257	1,092
Add: Shares issued on exercise of employee stock options -before bonus issue	-	-	77,233	-
Add: Bonus shares issued	-	-	2,18,41,91,490	1,092
Add: Shares issued on exercise of employee stock options - after bonus issue	580,388	-	548,464	-
Less: Shares bought back[(1)(2)]	9,78,67,266	49	1,26,52,000	6
As at the end of the period	**4,25,89,92,566**	**2,129**	**4,35,62,79,444**	**2,178**

[(1)] Includes 18,18,000 shares which have been purchased on account of buyback during the three months ended March 31, 2019 and have not been extinguished as of March 31, 2019

[(2)] Includes 36,36,000 shares which have been purchased on account of buyback during the three months ended March 31, 2019 but have not been settled and therefore not extinguished as of March 31, 2019

2.10.2 DIVIDEND

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

The Company declares and pays dividends in Indian rupees. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

Effective fiscal 2018 the Company's policy was to pay up to 70% of the free cash flow annually by way of dividend and/or buyback.

Effective from fiscal 2020, the company expects to return approximately 85% of the free cash flow cumulatively over a 5-year period through a combination of semi-annual dividends and/or share buyback and/or special dividends, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS. Dividend and buyback include applicable taxes.

The amount of per share dividend recognized as distribution to equity shareholders is as follows: *(in ₹)*

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2020	**2019**	**2020**	**2019**
Interim Dividend for fiscal 2020	-	-	8.00	-
Final Dividend for fiscal 2019	-	-	10.50	-
Interim Dividend for fiscal 2019	-	-	-	7.00
Special dividend for fiscal 2019*	-	4.00	-	4.00
Final Dividend for fiscal 2018*	-	-	-	10.25
Special dividend for fiscal 2018*	-	-	-	5.00

** Dividend per share declared previously, retrospectively adjusted for September 2018 bonus issue*

During the year ended March 31, 2020 on account of the final dividend for fiscal 2020, and interim dividend for fiscal 2020 the Company has incurred a net cash outflow of `8,624 crore inclusive of dividend distribution tax.

The Board of Directors in their meeting on April 20, 2020 recommended a final dividend of `9.50/- per equity share for the financial year ended March 31, 2020. This payment is subject to the approval of shareholders in the Annual General Meeting of the Company. In view of COVID-19, the Company is working on an Annual General Meeting date which will be announced by the company in due course. This final dividend if approved by shareholders would result in a net cash outflow of approximately `4,046 crore.

2.10.3 Employee Stock Option Plan (ESOP):

Accounting Policy

The Company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

Infosys Expanded Stock Ownership Program 2019 (the 2019 Plan) :

On June 22, 2019 pursuant to approval by the shareholders in the Annual General Meeting , the Board has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company and its subsidiaries under the 2019 Plan. The maximum number of shares under the 2019 plan shall not exceed 50,000,000 equity shares. To implement the 2019 Plan , upto 45,000,000 equity shares may be issued by way of secondary acquisition of shares by Infosys Expanded Stock Ownership Trust. The RSUs granted under the 2019 plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator (Nomination and remuneration committee). The performance parameters will be based on a combination of relative total shareholders return (TSR) against selected industry peers and certain broader market domestic and global indices and operating performance metrics of the company as decided by administrator. Each of the above performance parameters will be distinct for the purposes of calculation of quantity of shares to vest based on performance. These instruments will generally vest between a minimum of 1 to maximum of 3 years from the grant date.

2015 Stock Incentive Compensation Plan (the 2015 Plan) :

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board has been authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (the 2015 Plan). The maximum number of shares under the 2015 plan shall not exceed 24,038,883 equity shares (this includes 11,223,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). The Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

The equity settled and cash settled RSUs and stock options would vest generally over a period of 4 years and shall be exercisable within the period as approved by the Nomination and Remuneration Committee (NARC). The exercise price of the RSUs will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant.

Consequent to the September 2018 bonus issue, all the then outstanding options granted under the stock option plan have been adjusted for bonus shares. Unless otherwise stated , all the prior period share numbers, share prices and weighted average exercise prices in this note have been adjusted to give effect to the September 2018 bonus issue.

Controlled trust holds 18,239,356 and 20,324,982 shares as at March 31, 2020 and March 31, 2019, respectively under the 2015 plan. Out of these shares, 200,000 equity shares each have been earmarked for welfare activities of the employees as at March 31, 2020 and March 31, 2019.

The following is the summary of grants during the three months and year ended March 31, 2020 and March 31, 2019 :

Particulars	2019 plan				2015 plan			
	Three months ended March 31,		Year ended March 31,		Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019*	2020	2019	2020	2019*
Equity settled RSU								
KMPs	169,000	-	356,793	-	295,800	458,330	507,896	675,530
Employees other than KMPs	1,734,500	-	1,734,500	-	1,370,250	1,878,050	3,346,280	3,665,170
	1,903,500	-	**2,091,293**	-	**1,666,050**	**2,336,380**	**3,854,176**	**4,340,700**
Cash settled RSU								
KMPs	-	-	-	-	180,400	-	180,400	-
Employees other than KMPs	-	-	-	-	377,260	21,500	475,740	74,090
	-	-	-	-	**557,660**	**21,500**	**656,140**	**74,090**
Total Grants	**1,903,500**	-	**2,091,293**	-	**2,223,710**	**2,357,880**	**4,510,316**	**44,14,790**

** Information is adjusted for September, 2018 bonus issue*

Notes on grants to KMP:

CEO & MD

Under the 2015 plan:

In accordance with the employee agreement which has been approved by the shareholders, the CEO is eligible to receive an annual grant of RSUs of fair value ₹3.25 crore which will vest overtime in three equal annual installments upon the completion of each year of service from the respective grant date. Accordingly, annual time-based grant of 41,782 RSUs was made effective February 27, 2020 for fiscal 2020. Though the annual time based grants for the remaining employment term ending on March 31, 2023 have not been granted as of March 31, 2020, since the service commencement date precedes the grant date, the company has recorded employment stock compensation expense in accordance with Ind AS 102, Share based payments.

The Board, on April 12, 2019, based on the recommendations of the Nomination and Remuneration Committee, approved the performance-based grant of RSUs amounting to ₹13 crore for the financial year 2020 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 177,887 performance based RSU's were granted effective May 2, 2019.

In accordance with the shareholders approval in the Annual General meeting held on June 22, 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, approved to amend the vesting period of the annual performance equity grant from three years to one year. Accordingly the vesting period of 217,200 (adjusted for September 2018 bonus issue) performance based RSUs granted effective May 2, 2018 and 177,887 performance based RSU's granted effective May 2,2019 have been amended to one year.

Under the 2019 plan:

In accordance with the shareholders approval in Annual General meeting held on June 22, 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for financial year 2020 under the 2019 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 134,138 performance based RSU's were granted effective June 22, 2019.

COO and Whole time director

Under the 2015 plan:

On February 20, 2020, Based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time-based grant of 58,650 RSUs granted effective February 27, 2020.

Under the 2019 plan:

In accordance with the shareholders approval in Annual General meeting held on June 22, 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹4 crore for financial year 2020 under the 2019 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 53,655 performance based RSU's were granted effective June 22, 2019.

Other KMPs

Under the 2015 plan:

On April 12, 2019, based on the recommendations of the Nomination and Remuneration Committee, in accordance with employment agreement, the Board, approved performance-based grant of 10,263 RSUs and time based grant of 23,946 RSUs to other KMP under the 2015 Plan. The grants were made effective May 2, 2019. The time based RSUs will generally vest over four years and the performance based RSUs will vest over three years based on certain performance targets.

On February 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 375,768 RSUs to other KMPs under the 2015 plan. The grants were made effective February 27, 2020. These RSUs will vest over four years.

Under the 2019 plan:

On February 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance based grants of 169,000 RSUs to other KMPs under the 2019 plan. The grants were made effective February 27, 2020. These RSUs will vest over three years based on achievement of certain performance targets.

Break-up of employee stock compensation expense

(in ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	**2019**	**2020**	**2019**
Granted to:				
KMP	11	10	56	33
Employees other than KMP	49	43	170	149
Total [(1)]	**60**	**53**	**226**	**182**
[(1)] Cash settled stock compensation expense included in the above	7	1	10	2

Share based payment arrangements that were modified during the year ended March 31, 2020:

During the year ended March 31, 2020, the company issued stock appreciation rights as replacement for outstanding ADS settled RSU and ESOP awards. The replacement was pursuant to SEBI Circular 'Framework for issue of Depository Receipts' dated October 10, 2019 which prohibited companies to allot ADS to Indian residents and Non resident Indians. The awards were granted after necessary approvals from the NARC. All other terms and conditions of the replaced awards remain the same as the original award.

The replacement awards was accounted as a modification and the fair value on the date of modification of ₹57 crore is recognized as financial liability with a corresponding adjustment to equity.

The fair values of the awards are estimated using the Black-Scholes Model for time and non-market performance based options and Monte Carlo simulation model is used for TSR based options.

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the options. Expected volatility of the comparative company have been modelled based on historical movements in the market prices of their publicly traded equity shares during a period equivalent to the expected term of the options. Correlation coefficient is calculated between each peer entity and the indices as a whole or between each entity in the peer group.

The fair value of each equity settled award is estimated on the date of grant with the following assumptions:

Particulars	For options granted in			
	Fiscal 2020-Equity Shares-RSU	**Fiscal 2020-ADS-RSU**	**Fiscal 2019-Equity Shares-RSU**	**Fiscal 2019-ADS-RSU**
Weighted average share price (₹) / ($ ADS)[(1)]	728	10.52	696	10.77
Exercise price (₹)/ ($ADS)[(1)]	5.00	0.07	3.31	0.06
Expected volatility (%)	22-30	22-26	21-25	22-26
Expected life of the option (years)	1-4	1-4	1-4	1-4
Expected dividends (%)	2-3	2-3	2.65	2.65
Risk-free interest rate (%)	6-7	1-3	7-8	2-3
Weighted average fair value as on grant date (₹) / ($ADS)[(1)]	607	7.84	648	10.03

[(1)] Fiscal 2019 values are adjusted for September 2018 bonus issue wherever applicable

The expected life of the RSU/ESOP is estimated based on the vesting term and contractual term of the RSU/ESOP, as well as expected exercise behavior of the employee who receives the RSU/ESOP.

2.11 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Non-current		
Others		
Compensated absences	32	38
Accrued compensation to employees	12	-
Payable for acquisition of business- Contingent consideration	-	41
Rental deposit	5	-
Total non-current other financial liabilities	**49**	**79**
Current		
Unpaid dividends	30	29
Others		
Accrued compensation to employees	2,264	2,006
Accrued expenses [(1)]	2,646	2,310
Retention monies	30	60
Payable for acquisition of business - Contingent consideration	151	75
Capital creditors	254	653
Financial liability relating to buyback [#]	-	1,202
Compensated absences	1,497	1,373
Other payables [(2)]	603	807
Foreign currency forward and options contracts	461	13
Total current other financial liabilities	**7,936**	**8,528**
Total other financial liabilities	7,985	**8,607**
Financial liability carried at amortized cost	5,827	7,067
Financial liability carried at fair value through profit or loss	592	128
Financial liability carried at fair value through other comprehensive income	20	1
Contingent consideration on undiscounted basis	152	135
[(1)] *Includes dues to subsidiaries*	2	6
[(2)] *Includes dues to subsidiaries*	47	13

[#] In accordance with Ind AS 32 Financial Instruments: Presentation, the Company has recorded a financial liability as at March 31, 2019 for the obligation to acquire its own equity shares to the extent of standing instructions provided to its registered broker for the buyback (refer to note 2.10). The financial liability is recognised at the present value of the maximum amount that the Company would be required to pay to the registered broker for buy back, with a corresponding debit in general reserve / retained earnings. The liability has been utilized towards buyback of equity shares which was completed on August 26, 2019.

2.12 TRADE PAYABLES

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Trade payables[(1)]	1,529	1,604
Total trade payables	**1,529**	**1,604**
[(1)] *Includes dues to subsidiaries*	271	220

2.13 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Non current		
Accrued provident fund liability (refer to note 2.18.2)	185	-
Others		
Deferred income	22	29
Deferred rent (refer to note 2.2)	-	140
Total non - current other liabilities	**207**	**169**
Current		
Accrued provident fund liability (refer to note 2.18.2)	64	-
Unearned revenue	2,140	2,094
Client deposits	9	19
Others		
Withholding taxes and others	1,344	1,168
Deferred rent (refer to note 2.2)	-	54
Total current other liabilities	**3,557**	**3,335**
Total other liabilities	**3,764**	**3,504**

2.14 PROVISIONS

Accounting Policy

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

a. Post sales client support

The Company provides its clients with a fixed-period post sales support on its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time related revenues are recorded in the Statement of Profit and Loss. The Company estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

b. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of 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 recognizes any impairment loss on the assets associated with that contract.

Provision for post-sales client support and others

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Current		
Others		
Post-sales client support and others	506	505
Total provisions	**506**	**505**

Provision for post sales client support and other provisions represents cost associated with providing post sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of 1 year.

2.15 INCOME TAXES

Accounting Policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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 recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized 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 utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to securities premium.

Income tax expense in the statement of profit and loss comprises: *(In ₹ crore)*

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	**2019**	**2020**	**2019**
Current taxes	1,194	1,053	5,235	5,189
Deferred taxes	(135)	80	(301)	36
Income tax expense	**1,059**	**1,133**	**4,934**	**5,225**

During the year ended March 31, 2019, the Company entered into Advance Pricing Agreement (APA) in overseas jurisdictions resulting in a reversal of income tax expense of `94 crore which pertained to prior periods.

Additionally, income tax expense for the three months ended March 31, 2020 and March 31, 2019 includes reversal (net of provisions) of ₹175 crore and includes provisions (net of reversals) ₹73 crore, respectively. Income tax expense for the year ended March 31, 2020 and March 31, 2019 includes reversal (net of provisions) of ₹298 crore and ₹97 crore, respectively. These reversals pertain to prior periods on account of adjudication of certain disputed matters in favor of the company across various jurisdictions.

Deferred income tax for the three months and year ended March 31, 2020 and March 31, 2019, substantially relates to origination and reversal of temporary differences.

2.16 REVENUE FROM OPERATIONS

Accounting Policy

The Company derives revenues primarily from IT services comprising software development and related services, maintenance, consulting and package implementation, and from licensing of software products and platforms across the Company's core and digital offerings (together called as "software related services"). Contracts with customers are either on a time-and-material, unit of work, fixed-price or on a fixed-timeframe basis.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Company's contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue on time-and-material and unit of work based contracts, are recognized as the related services are performed. Fixed price maintenance revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Company's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended have been used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the lives of the contracts and are recognized in profit or loss in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

The billing schedules agreed with customers include periodic performance based billing and / or milestone based progress billings. Revenues in excess of billing are classified as unbilled revenue while billing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for software development and related services and maintenance services, by applying the revenue recognition criteria for each distinct performance obligation, the arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS).When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two distinct 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 Company uses the expected cost plus margin approach in estimating the standalone selling price. 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. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

Contracts with customers includes subcontractor services or third-party vendor equipment or software in certain integrated services arrangements. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when the Company is acting as an agent between the customer and the vendor, and gross when the Company is the principal for the transaction. In doing so, the Company first evaluates whether it controls the good or service before it is transferred to the customer. The Company considers whether it has the primary obligation to fulfil the contract, inventory risk, pricing discretion and other factors to determine whether it controls the goods or service and therefore is acting as a principal or an agent.

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Company expects to recover them. Any capitalized contract costs are amortized, with the expense recognised as the Company transfers the related goods or services to the customer.

The Company presents revenues net of indirect taxes in its statement of profit and loss.

Revenue from operations for the three months and year ended March 31, 2020 and March 31, 2019 is as follows: *(In ₹ crore)*

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2020	**2019**	**2020**	**2019**
Revenue from software services	20,116	18,870	78,809	72,845
Revenue from products and platforms	71	65	238	262
Total revenue from operations	**20,187**	**18,935**	**79,047**	**73,107**

The company has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts;(ii) onerous obligations;(iii) penalties relating to breaches of service level agreements, and (iv) termination or deferment of contracts by customers. The company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by offerings for the three months and year ended March 31, 2020 and March 31, 2019 respectively. 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.

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Revenue by offerings				
Core	11,574	12,386	47,533	49,463
Digital	8,613	6,549	31,514	23,644
Total	**20,187**	**18,935**	**79,047**	**73,107**

Digital Services

Digital Services comprise of service and solution offerings of the company that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core Services

Core Services comprise traditional offerings of the company that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services.

Products & platforms

The Company also derives revenues from the sale of products and platforms including Infosys Nia - Artificial Intelligence (AI) platform which applies next-generation AI and machine learning.

The percentage of revenue from fixed price contracts for each of the three months and year ended March 31, 2020 and March 31, 2019 is approximately 55%.

Trade receivables and Contract Balances

The timing of revenue recognition, billings and cash collections results in Receivables, Unbilled Revenue, and Unearned Revenue on the Company's balance Sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones.

The Company's Receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of billings from time and material contracts and fixed price maintenance contracts are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

Invoicing to the clients for other fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore Unbilled Revenues for other fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in the balance Sheet.

2.17 OTHER INCOME, NET

2.17.1 Other income - Accounting Policy

Other income is comprised primarily of interest income, dividend income, gain / loss on investments and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

2.17.2 Foreign currency - Accounting Policy

Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are recognized in the Statement of Profit and Loss and reported within exchange gains/(losses) on translation of assets and liabilities, net, except when deferred in Other Comprehensive Income as qualifying cash flow hedges. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Other Comprehensive Income, net of taxes includes translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as financial instruments and measured at fair value through other comprehensive income (FVOCI).

Effective April 1, 2018, the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

Other income for the three months and year ended March 31, 2020 and March 31, 2019 is as follows: *(In ₹ crore)*

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2020	**2019**	**2020**	**2019**
Interest income on financial assets carried at amortized cost				
Tax free bonds and government bonds	34	34	138	137
Deposit with Bank and others	268	317	1,080	1,276
Interest income on financial assets fair valued through other comprehensive income				
Non-convertible debentures, commercial paper, certificates of deposit and government securities	58	128	282	581
Income on investments carried at fair value through other comprehensive income	4	-	41	-
Income on investments carried at fair value through profit or loss				
Dividend income on liquid mutual funds	-	1	2	2
Gain / (loss) on liquid mutual funds and other investments	54	57	188	175
Interest income on income tax refund	8	-	250	50
Exchange gains/(losses) on foreign currency forward and options contracts	(484)	185	(528)	184
Exchange gains/(losses) on translation of assets and liabilities	607	(139)	1,056	144
Miscellaneous income, net	36	56	191	303
Total other income	**585**	**639**	**2,700**	**2,852**

2.18 EXPENSES

Accounting Policy

2.18.1 Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). Trustees administer contributions made to the Trusts and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by Indian law.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in the statement of Profit and Loss.

2.18.2 Provident fund

Eligible employees of Infosys receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Infosys Limited Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

Infosys has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided there is no shortfall as at March 31, 2019.

The details of the benefit obligation as at March 31, 2019 is as follows:

(In ₹ crore)

Particulars	As at March 31, 2019
Benefit obligation at the period end	5,989
Net liability recognized in balance sheet	-

The following tables set out the funded status of the defined benefit provident fund plan of Infosys limited and the amounts recognized in the Company's financial statements as at March 31, 2020

(In ₹ crore)

Particulars	As at March 31, 2020
Change in benefit obligations	
Benefit obligations at the beginning	5,989
Service cost - employer contribution	407
Employee contribution	857
Interest expense	561
Actuarial (gains) / loss	216
Benefits paid	(664)
Benefit obligations at the end	**7,366**
Change in plan assets	
Fair value of plan assets at the beginning	5,989
Interest income	561
Remeasurements- Return on plan assets excluding amounts included in interest income [(1)]	(33)
Contributions (employer and employee)	1,264
Benefits paid	(664)
Fair value of plan assets at the end	**7,117**
Net liability (refer to note 2.13)	(249)

[(1)] *Includes unrealized losses on certain investments in bonds*

Amount for the three months and year ended March 31, 2020 recognized in the statement of other comprehensive income:

(In ₹ crore)

Particulars	Three months ended March 31, 2020	Year ended March 31, 2020
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial (gains) / losses	69	216
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(48)	33
	21	**249**

Assumptions used in determining the present value obligation of the defined benefit plan under the Deterministic Approach:

Particulars	As at March 31, 2020	As at March 31, 2019
Government of India (GOI) bond yield [(1)]	6.20%	7.10%
Expected rate of return on plan assets	8.00%	9.20%
Remaining term to maturity of portfolio	6 years	5.47 years
Expected guaranteed interest rate		
First year	8.50%	8.65%
Thereafter	8.50%	8.60%

[(1)] In India, the market for high quality corporate bonds being not developed, the yield of government bonds is considered as the discount rate. The tenure has been considered taking into account the past long-term trend of employees' average remaining service life which reflects the average estimated term of the post- employment benefit obligations.

The breakup of the plan assets into various categories as at March 31, 2020 is as follows:

Particulars	As at March 31, 2020
Central and State government bonds	49%
Public sector undertakings and Private sector bonds	48%
Others	3%

The asset allocation for plan assets is determined based on investment criteria prescribed under the relevant regulations.

As at March 31, 2020 the defined benefit obligation would be affected by approximately ₹72 crore and ₹108 crore on account of a 0.25% increase / decrease in the expected rate of return on plan assets.

The Company contributed ₹142 crore and ₹118 crore to the provident fund during the three months ended March 31, 2020 and March 31, 2019, respectively. The Company contributed ₹541 crore and ₹451 crore to the provident fund during the year ended March 31, 2020 and March 31, 2019, respectively. The same has been recognized in the net profit in the statement of profit and loss under the head employee benefit expense.

In February 2019, the Hon'ble Supreme Court of India vide its judgment and subsequent review petition of August 2019 has ruled in respect of compensation for the purpose of Provident Fund contribution under the Employee's Provident Fund Act. The Company has assessed possible outcomes of the judgment on determination of provident fund contributions and based on the Company's current evaluation of the judgement, it is not probable that certain allowances paid by the Company will be subject to payment of Provident Fund. The Company will continue to monitor and evaluate its position based on future events and developments.

The provident plans are applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit plans.

2.18.3 Superannuation

Certain employees of Infosys are participants in a defined contribution plan. The Company has no further obligations to the Plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

2.18.4 Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	**2019**	**2020**	**2019**
Employee benefit expenses				
Salaries including bonus	10,340	9,896	41,159	37,185
Contribution to provident and other funds	241	208	938	797
Share based payments to employees (Refer note no. 2.10)	60	53	226	182
Staff welfare	25	41	111	132
	10,666	**10,198**	**42,434**	**38,296**
Cost of software packages and others				
For own use	209	187	814	793
Third party items bought for service delivery to clients	248	205	842	853
	457	**392**	**1,656**	**1,646**
Other expenses				
Power and fuel	41	37	176	171
Brand and Marketing	122	114	441	406
Short-term leases (refer to note 2.2)	13	-	37	-
Operating leases	-	96	-	339
Rates and taxes	48	25	143	110
Repairs and Maintenance	328	295	1,198	1,051
Consumables	12	10	32	33
Insurance	18	15	72	55
Provision for post-sales client support and others	1	(31)	3	(6)
Commission to non-whole time directors	2	2	8	7
Impairment loss recognized / (reversed) under expected credit loss r	66	11	137	184
Auditor's remuneration				
Statutory audit fees	4	1	7	4
Tax matters	-	1	-	1
Other services	-	-	2	-
Contributions towards Corporate Social Responsibility	124	61	360	245
Others	47	40	171	170
	826	**677**	**2,787**	**2,770**

2.19 RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNING PER SHARE

Accounting Policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.20 CONTINGENT LIABILITIES AND COMMITMENTS

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Contingent liabilities :		
Claims against the Company, not acknowledged as debts[(1)]	3,410	2,947
[Amount paid to statutory authorities ₹5,229 crore (₹5,861 crore)]		
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)[(2)]	1,305	1,653
Other Commitments*	15	17

**Uncalled capital pertaining to investments*

(1) As at March 31, 2020, claims against the Company not acknowledged as debts in respect of income tax matters amounted to ₹3,274 crore. The claims against the Company majorly represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as disallowance of profits earned from STP Units and SEZ Units, disallowance of deductions in respect of employment of new employees under section 80JJAA, disallowance of expenditure towards software being held as capital in nature, payments made to Associated Enterprises held as liable for withholding of taxes. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial position and results of operations.

Amount paid to statutory authorities against the above tax claims amounted to ₹5,228 crore.

(2) Capital contracts primarily comprises of commitments for infrastructure facilities and computer equipment's.

The Audit Committee appointed an external legal counsel to conduct an independent investigation into the whistleblower allegations which have been previously disclosed to stock exchanges on October 22, 2019 and to the Securities and Exchange Commission (SEC) on Form 6-K on the same date. As previously disclosed on January 10, 2020 the outcome of the investigation has not resulted in restatement of previously issued financial statements

The Company cooperated with an investigation by the SEC regarding the same matters. In March 2020, the Company received notification from the SEC that the SEC has concluded its investigation and the Company does not anticipate any further action by the SEC on this matter. The Company is responding to all the inquires received from the Indian regulatory authorities and will continue to cooperate with the authorities for any additional requests for information. Additionally, in October 2019, a shareholder class action lawsuit was filed in the United States District Court for the Eastern District of New York against the Company and certain of its current and former officers for alleged violations of the US federal securities laws. The Company is presently unable to predict the scope, duration or the outcome of these matters.

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Company's results of operations or financial condition.

2.21 RELATED PARTY TRANSACTIONS

Refer to the Company's Annual Report for the year ended March 31, 2020 for the full names and other details of the Company's subsidiaries and controlled trusts.

Changes in Subsidiaries

During the year ended March 31, 2020, the following are the changes in the subsidiaries:

- On April 1, 2019, Infosys Consulting Pte Ltd, a wholly-owned subsidiary of Infosys Limited, acquired 81% of voting interest in HIPUS Co Ltd, Japan, a wholly owned subsidiary of Hitachi Ltd, Japan.
- On May 23, 2019, Infosys Consulting Pte Ltd, a wholly-owned subsidiary of Infosys Limited, acquired 75% of voting interest in Stater N.V along with its eight subsidiaries Stater Netherland B.V., Stater Duitsland B.V., Stater XXL B.V., HypoCasso B.V., Stater Participations B.V., Stater Deutschland Verwaltungs-GmbH, Stater Deutschland GmbH & Co.KG, Stater Belgium N.V./S.A.
- Infosys Technologies (Australia) Pty. Limited (Infosys Australia) has been liquidated effective November 17, 2019
- Infosys Tecnologia Do Brasil Ltda, a wholly owned subsidiary of Infosys Ltd merged into Infosys Consulting Ltda, a majority owned and controlled subsidiary of Infosys Ltd effective October 1, 2019. (Refer note no. 2.3)
- Panaya Japan Co. Ltd, a wholly owned subsidiary of of Panaya Inc. has been liquidated effective October 31, 2019
- On February 20, 2020, Infosys Poland, Sp z.o.o, a wholly owned subsidiary of Infosys BPM acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o, a wholly owned subsidiary of Infosys Consulting Holding AG (formerly Lodestone Holding AG)
- On March 13, 2020, Infosys Nova Holdings LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% of voting interest in Outbox systems Inc. dba Simplus (US) along with its eight subsidiaries Simplus North America Inc., Simplus ANZ Pty Ltd., Simplus Australia Pty Ltd, Sqware Peg Digital Pty Ltd, Simplus Philippines, Inc., Simplus Europe, Ltd., Simplus U.K., Ltd., Simplus Ireland, Ltd.

Changes in controlled trusts

During the year ended 'March 31, 2020, the following are the changes in the controlled trusts:

- On May 15, 2019, the Company registered Infosys Expanded Stock Ownership Trust

The Company's material related party transactions during the three months and year ended March 31, 2020 and March 31, 2019 and outstanding balances as at March 31, 2020 and March 31, 2019 are with its subsidiaries with whom the Company generally enters into transactions which are at arms length and in the ordinary course of business.

Change in key management personnel

The following are the changes in the Key management personnel

Roopa Kudva (retired as member of the Board effective February 3, 2020).

Transactions with key management personnel

The table below describes the compensation to key managerial personnel which comprise directors and executive officers:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	**2019**	**2020**	**2019**
Salaries and other employee benefits to whole-time directors and executive officers [(1)(2)(3)]	29	29	118	96
Commission and other benefits to non-executive / independent directors	2	2	8	7
Total	**31**	**31**	**126**	**103**

[(1)] Total employee stock compensation expense for the three months ended March 31, 2020 and March 31, 2019 includes a charge of ₹11 crore and ₹10 crore, respectively, towards key managerial personnel. For the year ended March 31, 2020 and March 31, 2019, includes a charge of ₹56 crore and ₹33 crore respectively, towards key managerial personnel. (Refer to note 2.10)

[(2)] On December 20, 2018, the Board appointed Nilanjan Roy as the Chief Financial Officer of the Company with effect from March 1, 2019.

[(3)] Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.

2.22 SEGMENT REPORTING

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

for and on behalf of the Board of Directors of Infosys Limited

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

U.B. Pravin Rao
Chief Operating Officer and Whole-time Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
April 20, 2020

Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
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Maharashtra, India

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INFOSYS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **INFOSYS LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Sr. No.	Key Audit Matter	Auditor's Response
1	***Fixed price contracts using the percentage of completion method*** Fixed price maintenance revenue is recognized either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or using percentage of completion method when the pattern of benefits from services rendered to the customer and Company's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed -timeframe contracts, where the performance obligations are satisfied over time has been recognized using the percentage-of-completion method. Use of the percentage-of-completion method requires the Company to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. We identified the estimate of total efforts or efforts to complete fixed price contracts measured using the percentage of completion method as a key audit matter as the estimation of efforts or costs involves significant judgement throughout the period of the contract and is subject to revision as the contract progresses based on the latest available information. This estimate has a high inherent uncertainty and requires consideration of progress of the contract, efforts or costs incurred to-date and estimates of efforts or costs required to complete the remaining contract performance obligations over the lives of the contracts. Refer Notes 1.4(a) and 2.17 to the Standalone financial statements.	***Principal Audit Procedures*** Our audit procedures related to estimates of total expected costs or efforts to complete for fixed-price contracts included the following, among others: We tested the effectiveness of controls relating to (1) recording of efforts or costs incurred and estimation of efforts or costs required to complete the remaining contract performance obligations and (2) access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of efforts incurred. We selected a sample of fixed price contracts with customers accounted using percentage-of-completion method and performed the following: • Compared efforts or costs incurred with Company's estimate of efforts or costs incurred to date to identify significant variations and evaluate whether those variations have been considered appropriately in estimating the remaining costs or efforts to complete the contract. • Tested the estimate for consistency with the status of delivery of milestones and customer acceptances and sign off from customers to identify possible delays in achieving milestones, which require changes in estimated costs or efforts to complete the remaining performance obligations.

Sr. No.	Key Audit Matter	Auditor's Response
2	***Allowance for credit losses*** The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. We identified allowance for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses. Refer Notes 1.4(f), 2.7 and 2.10 to the Standalone financial statements.	***Principal Audit Procedures*** Our audit procedures related to the allowance for credit losses for trade receivables and unbilled revenue included the following, among others: We tested the effectiveness of controls over the (1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions (2) completeness and accuracy of information used in the estimation of probability of default and (3) computation of the allowance for credit losses. For a sample of customers: We tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information. We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.

Emphasis of Matter

As more fully described in Note 2.22 to the standalone financial statements, the Company is responding to inquiries from Indian regulatory authorities. The scope, duration or outcome of these matters are uncertain.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

Management's Responsibilities for the Standalone Financial Statements

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

In preparing the standalone 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.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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 standalone 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 financial 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 system 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 the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

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



e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone 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;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

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

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)



Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
UDIN:

Place: Mumbai
Date: April 20, 2020

Deloitte
Haskins & Sells LLP

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Infosys Limited of even date)

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

We have audited the internal financial controls over financial reporting of **INFOSYS LIMITED** (the "Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 (the "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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 over financial reporting.

Deloitte
Haskins & Sells LLP

Meaning of Internal Financial Controls over Financial Reporting

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

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal financial 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 ICAI.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)



Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
UDIN:

Place: Mumbai
Date: April 20, 2020

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Infosys Limited of even date)

i. In respect of the Company's fixed assets:

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

   (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.

ii. The Company is in the business of providing software services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us, the Company has granted unsecured loans to four bodies corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

   (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

   (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

   (c) There is no overdue amount remaining outstanding as at the year-end.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2020 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount ₹ Crores
The Income Tax Act, 1961	Income Tax	Appellate Tribunal (1)	A.Y. 2010-11 and A.Y. 2012-13	1,029
	Income Tax	Appellate Authority upto Commissioner's Level (2)	A.Y. 2008-09 to A.Y. 2011-12; A.Y. 2013-14 to A.Y. 2016-17 and A.Y. 2018-19 to A.Y. 2020-21	2,219
Finance Act, 1994	Service Tax	Appellate Tribunal (3)	F.Y. 2004-05 to F.Y.2014-15	60
Central Excise Act, 1944	Excise Duty	Supreme Court(3)	F.Y. 2005-06 to F.Y. 2015-16	68
	Excise Duty	Appellate Tribunal	F.Y. 2015-16	-*
Customs Act, 1962	Custom Duty and Interest	Specified Officer of SEZ	F.Y. 2008 -09 to F.Y. 2011-12	5
Sales Tax Act and VAT Laws	Sales Tax and interest	High Court	F.Y. 2007-08	-*
	Sales Tax and interest	Appellate Authority upto Commissioner's Level (3)	F.Y. 2006-07 to F.Y. 2010-11, F.Y. 2014-15	2

(1) In respect of A.Y. 2012-13, stay order has been granted against the amount of ₹1,029 crores disputed and not been deposited.
(2) In respect of A.Y. 2016-17, ₹ 599 crores is erroneous interest demand on paid liability.
(3) Stay order has been granted.
* Less than ₹ 1 crore.

viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 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.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)



Sanjiv Pilgaonkar
Partner
(Membership No. 039826)
UDIN:

Place: Mumbai
Date: April 20, 2020

INFOSYS LIMITED

Standalone Financial Statements
under Indian Accounting Standards (Ind AS)
for the year ended March 31, 2020

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INFOSYS LIMITED

(In ₹ crore)

Balance Sheet as at	Note No.	March 31, 2020	March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	11,092	10,394
Right-of-use assets	2.3	2,805	-
Capital work-in-progress		945	1,212
Goodwill	2.2	29	29
Other intangible assets	2.2	48	74
Financial assets			
Investments	2.4	13,916	12,062
Loans	2.5	298	16
Other financial assets	2.6	613	196
Deferred tax assets (net)	2.16	1,429	1,114
Income tax assets (net)	2.16	4,773	5,870
Other non-current assets	2.9	1,273	1,740
Total non - current Assets		**37,221**	**32,707**
Current assets			
Financial assets			
Investments	2.4	4,006	6,077
Trade receivables	2.7	15,459	13,370
Cash and cash equivalents	2.8	13,562	15,551
Loans	2.5	307	1,048
Other financial assets	2.6	4,398	4,834
Income tax assets (net)	2.16	-	423
Other current assets	2.9	6,088	4,920
Total current assets		**43,820**	**46,223**
Total Assets		**81,041**	**78,930**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	2,129	2,178
Other equity		60,105	60,533
Total equity		**62,234**	**62,711**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.3	2,775	-
Other financial liabilities	2.12	49	79
Deferred tax liabilities (net)	2.16	556	541
Other non-current liabilities	2.14	207	169
Total non - current liabilities		**3,587**	**789**
Current liabilities			
Financial liabilities			
Trade payables	2.13		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,529	1,604
Lease liabilities	2.3	390	-
Other financial liabilities	2.12	7,936	8,528
Other current liabilities	2.14	3,557	3,335
Provisions	2.15	506	505
Income tax liabilities (net)	2.16	1,302	1,458
Total current liabilities		**15,220**	**15,430**
Total equity and liabilities		**81,041**	**78,930**

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar	Nandan M. Nilekani	Salil Parekh	U.B. Pravin Rao
Partner	*Chairman*	*Chief Executive officer*	*Chief Operating Officer*
Membership No. 39826		*and Managing Director*	*and Whole-time Director*
Bengaluru	D. Sundaram	Nilanjan Roy	A.G.S. Manikantha
April 20, 2020	*Director*	*Chief Financial Officer*	*Company Secretary*

INFOSYS LIMITED

(In ₹ crore except equity share and per equity share data)

Statement of Profit and Loss for the	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	2.17	79,047	73,107
Other income, net	2.18	2,700	2,852
Total income		**81,747**	**75,959**
Expenses			
Employee benefit expenses	2.19	42,434	38,296
Cost of technical sub-contractors		8,447	7,646
Travel expenses		2,241	1,906
Cost of software packages and others	2.19	1,656	1,646
Communication expenses		381	339
Consultancy and professional charges		1,066	1,096
Depreciation and amortization expense	2.1 & 2.2.2 & 2.3	2,144	1,599
Finance cost	2.3	114	-
Other expenses	2.19	2,787	2,770
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for sale"	2.4.7	-	469
Reduction in the fair value of assets held for sale	2.4.7	-	265
Total expenses		**61,270**	**56,032**
Profit before tax		**20,477**	**19,927**
Tax expense:			
Current tax	2.16	5,235	5,189
Deferred tax	2.16	(301)	36
Profit for the year		**15,543**	**14,702**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset, net	2.16 & 2.20	(184)	(21)
Equity instruments through other comprehensive income, net	2.4 & 2.16	(31)	78
Items that will be reclassified subsequently to profit or loss			
Fair value changes on derivatives designated as cash flow hedge, net	2.10 & 2.16	(36)	21
Fair value changes on investments, net	2.4 & 2.16	17	1
Total other comprehensive income/ (loss), net of tax		**(234)**	**79**
Total comprehensive income for the year		**15,309**	**14,781**
Earnings per equity share			
Equity shares of par value ₹5/- each			
Basic (₹)		36.34	33.66
Diluted (₹)		36.32	33.64
Weighted average equity shares used in computing earnings per equity share			
Basic	2.21	4,27,70,30,249	4,36,82,12,119
Diluted	2.21	4,27,98,08,826	4,37,04,12,348

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar	Nandan M. Nilekani	Salil Parekh	U.B. Pravin Rao
Partner	*Chairman*	*Chief Executive officer*	*Chief Operating Officer*
Membership No. 39826		*and Managing Director*	*and Whole-time Director*
Bengaluru	D. Sundaram	Nilanjan Roy	A.G.S. Manikantha
April 20, 2020	*Director*	*Chief Financial Officer*	*Company Secretary*

INFOSYS LIMITED

Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity Share Capital	Other Equity												Total equity attributable to equity holders of the Company
		Reserves & Surplus								Other comprehensive income				
		Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [1]	Capital reserve		Capital redemption reserve	Equity Instruments through other comprehensive income	Effective portion of Cash flow hedges	Other items of other comprehensive income / (loss)		
							Capital reserve	Other reserves[2]						
Balance as at April 1, 2018	**1,092**	**28**	**55,671**	**1,677**	**130**	**1,559**	**54**	**3,219**	**56**	**2**	**-**	**14**		**63,502**
Changes in equity for the year ended March 31, 2019														
Profit for the year	-	-	14,702	-	-	-	-	-	-	-	-	-		14,702
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	-	-	-	-	-	(21)		(21)
Equity instruments through other comprehensive income* (refer note no. 2.4)	-	-	-	-	-	-	-	-	-	78	-	-		78
Fair value changes on derivatives designated as cash flow hedge* (refer note no. 2.10)	-	-	-	-	-	-	-	-	-	-	21	-		21
Fair value changes on investments, net* (refer note no. 2.4)	-	-	-	-	-	-	-	-	-	-	-	1		1
Total comprehensive income for the year	**-**	**-**	**14,702**	**-**	**-**	**-**	**-**	**-**	**-**	**78**	**21**	**(20)**		**14,781**
Transfer to general reserve	-	-	(1,615)	1,615	-	-	-	-	-	-	-	-		-
Transferred to Special Economic Zone Re-investment reserve	-	-	(2,306)	-	-	2,306	-	-	-	-	-	-		-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	1,386	-	-	(1,386)	-	-	-	-	-	-		-
Amount transferred to capital redemption reserve upon buyback (refer note no. 2.11)	-	-	-	(5)	-	-	-	-	5	-	-	-		-
Exercise of stock options (refer note no. 2.11)	-	99	-	-	(99)	-	-	-	-	-	-	-		-
Transfer on account of options not exercised	-	-	-	1	(1)	-	-	-	-	-	-	-		-
Increase in share capital on account of Bonus issue (refer note no. 2.11)	1,092	-	-	-	-	-	-	-	-	-	-	-		1,092
Amount utilised for Bonus issue (refer note no. 2.11)	-	-	-	(1,092)	-	-	-	-	-	-	-	-		(1,092)
Share based payment to employees of the group (refer note no. 2.11)	-	-	-	-	197	-	-	-	-	-	-	-		197
Income tax benefit arising on exercise of stock options	-	8	-	-	-	-	-	-	-	-	-	-		8
Buyback of equity shares (refer note no. 2.11 and 2.12)	(6)	-	-	(1,994)	-	-	-	-	-	-	-	-		(2,000)
Transaction cost relating to buyback*	-	-	-	(12)	-	-	-	-	-	-	-	-		(12)
Dividends (including dividend distribution tax)	-	-	(13,768)	-	-	-	-	-	-	-	-	-		(13,768)
Share issued on exercise of employee stock options (refer note no. 2.11)	-	3	-	-	-	-	-	-	-	-	-	-		3
Balance as at March 31, 2019	**2,178**	**138**	**54,070**	**190**	**227**	**2,479**	**54**	**3,219**	**61**	**80**	**21**	**(6)**		**62,711**

INFOSYS LIMITED

Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity Share Capital	Other Equity												Total equity attributable to equity holders of the Company
		Reserves & Surplus								Other comprehensive income				
							Capital reserve							
		Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [1]	Capital reserve	Other reserves[+120]	Capital redemption reserve	Equity Instruments through other comprehensive income	Effective portion of Cash flow hedges	Other items of other comprehensive income / (loss)		
Balance as at April 1, 2019	**2,178**	**138**	**54,070**	**190**	**227**	**2,479**	**54**	**3,219**	**61**	**80**	**21**	**(6)**		**62,711**
Impact on account of adoption of Ind AS 116 (refer note no 2.3)	-	-	(17)	-	-	-	-	-	-	-	-	-		(17)
	2,178	**138**	**54,053**	**190**	**227**	**2,479**	**54**	**3,219**	**61**	**80**	**21**	**(6)**		**62,694**
Changes in equity for the year ended March 31, 2020														
Profit for the year	-	-	15,543	-	-	-	-	-	-	-	-	-		15,543
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	-	-	-	-	-	(184)		(184)
Equity instruments through other comprehensive income* (refer note no. 2.4)	-	-	-	-	-	-	-	-	-	(31)	-	-		(31)
Fair value changes on derivatives designated as cash flow hedge*(refer note no. 2.10)	-	-	-	-	-	-	-	-	-	-	(36)	-		(36)
Fair value changes on investments* (refer note no. 2.4)	-	-	-	-	-	-	-	-	-	-	-	17		17
Total comprehensive income for the year	**-**	**-**	**15,543**	**-**	**-**	**-**	**-**	**-**	**-**	**(31)**	**(36)**	**(167)**		**15,309**
Transfer to general reserve	-	-	(1,470)	1,470	-	-	-	-	-	-	-	-		-
Transferred to Special Economic Zone Re-investment reserve	-	-	(2,464)	-	-	2,464	-	-	-	-	-	-		-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	1,036	-	-	(1,036)	-	-	-	-	-	-		-
Amount transferred to capital redemption reserve upon buyback (refer note no. 2.11)	-	-	-	(50)	-	-	-	-	50	-	-	-		-
Exercise of stock options (refer note no.2.11)	-	119	-	-	(119)	-	-	-	-	-	-	-		-
Transfer on account of options not exercised	-	-	-	1	(1)	-	-	-	-	-	-	-		-
Shares issued on exercise of employee stock options (refer note no.2.11)	-	2	-	-	-	-	-	-	-	-	-	-		2
Effect of modification of equity settled share based payment awards to cash settled awards (refer note no.2.11)	-	-	(9)	-	(48)	-	-	-	-	-	-	-		(57)
Share based payments to employees (refer note no. 2.11)	-	-	-	-	238	-	-	-	-	-	-	-		238
Reserves on common control transactions	-	-	-	-	-	-	-	(137)	-	-	-	-		(137)
Income tax benefit arising on exercise of stock options	-	9	-	-	-	-	-	-	-	-	-	-		9
Buyback of equity shares (refer note no. 2.11 and 2.12)	(49)	-	(4,717)	(1,494)	-	-	-	-	-	-	-	-		(6,260)
Transaction cost relating to buyback* (refer note no 2.11)	-	-	-	(11)	-	-	-	-	-	-	-	-		(11)
Dividends (including dividend distribution tax)	-	-	(9,553)	-	-	-	-	-	-	-	-	-		(9,553)
Balance as at March 31, 2020	**2,129**	**268**	**52,419**	**106**	**297**	**3,907**	**54**	**3,082**	**111**	**49**	**(15)**	**(173)**		**62,234**

**net of tax*

[1] The Special Economic Zone Re-investment Reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Sec 10AA(1)(ii) of Income Tax Act,1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in the terms of the Sec 10AA(2) of the Income Tax Act, 1961.

[2] Profit / loss on transfer of business between entities under common control taken to reserve.

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

As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer
and Managing Director

U.B. Pravin Rao
Chief Operating Officer
and Whole-time Director

Bengaluru
April 20, 2020

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A.G.S. Manikantha
Company Secretary

INFOSYS LIMITED

Statement of Cash Flows

Accounting Policy

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(In ₹ crore)

Particulars	Note No.	Year ended March 31,	
		2020	2019
Cash flow from operating activities:			
Profit for the year		15,543	14,702
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization	2.1 & 2.2.2 & 2.3	2,144	1,599
Income tax expense	2.16	4,934	5,225
Impairment loss recognized / (reversed) under expected credit loss model		127	176
Finance cost	2.3	114	-
Interest and dividend income		(1,502)	(1,996)
Stock compensation expense		226	-
Other adjustments		(248)	57
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for sale"		-	469
Reduction in the fair value of assets held for sale	2.4.7	-	265
Exchange differences on translation of assets and liabilities		17	80
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(3,621)	(2,268)
Other financial assets and other assets		319	(581)
Trade payables	2.12	(75)	866
Other financial liabilities, other liabilities and provisions		1,475	1,666
Cash generated from operations		**19,453**	**20,260**
Income taxes paid		(3,881)	(6,271)
Net cash generated by operating activities		**15,572**	**13,989**
Cash flow from investing activities:			
Expenditure on property, plant and equipment		(3,063)	(2,306)
Deposits placed with corporations		(112)	(116)
Loans to employees		(2)	4
Loan given to subsidiaries		(1,210)	(678)
Loan repaid by subsidiaries		444	20
Proceeds from redemption of debentures	2.4	286	335
Investment in subsidiaries	2.4	(1,338)	(228)
Proceeds from return of investment		-	33
Payment towards acquisition of business	2.4	-	(261)
Payment of contingent consideration pertaining to acquisition		(6)	(6)
Redemption of escrow pertaining to buyback	2.6	257	(257)
Other receipts		46	-
Payments to acquire investments			
Preference, equity securities and others		(41)	(18)
Liquid mutual fund units and fixed maturity plan securities		(30,500)	(72,889)
Tax free bonds and Government bonds		(11)	(11)
Certificates of deposit		(876)	(2,052)
Commercial paper		-	(491)
Non Convertible debentures		(733)	(100)
Government Securities		(1,561)	(838)
Others		(2)	-
Proceeds on sale of investments			
Preference and equity securities		-	115
Liquid mutual fund units and fixed maturity plan securities		30,332	71,337
Tax free bonds and Government bonds		12	1
Non-convertible debentures		1,788	602
Certificates of deposit		2,175	5,150
Commercial paper		500	300
Government Securities		1,673	123
Others		9	-
Interest and dividend received		1,817	1,644
Net cash used in investing activities		**(116)**	**(587)**

Cash flow from financing activities:			
Payment of lease liabilities	2.3	(364)	-
Buyback of equity shares including transaction cost		(7,478)	(813)
Shares issued on exercise of employee stock options		2	3
Payment of dividends (including dividend distribution tax)		(9,551)	(13,761)
Net cash used in financing activities		**(17,391)**	**(14,571)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(54)	(50)
Net increase / (decrease) in cash and cash equivalents		(1,935)	(1,169)
Cash and cash equivalents at the beginning of the year	2.8	15,551	16,770
Cash and cash equivalents at the end of the year	2.8	**13,562**	**15,551**
Supplementary information:			
Restricted cash balance	2.8	101	143

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

As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar	Nandan M. Nilekani	Salil Parekh	U.B. Pravin Rao
Partner	*Chairman*	*Chief Executive officer*	*Chief Operating Officer*
Membership No. 39826		*and Managing Director*	*and Whole-time Director*
Bengaluru	D. Sundaram	Nilanjan Roy	A.G.S. Manikantha
April 20, 2020	*Director*	*Chief Financial officer*	*Company Secretary*

INFOSYS LIMITED

Notes to the financial statements

1. Overview

1.1 Company overview

Infosys Limited ('the Company' or Infosys) is a leading provider of consulting, technology, outsourcing and next-generation digital services, enabling clients to execute strategies for their digital transformation. Infosys strategic objective is to build a sustainable organization that remains relevant to the agenda of clients, while creating growth opportunities for employees and generating profitable returns for investors. Infosys strategy is to be a navigator for our clients as they ideate, plan and execute on their journey to a digital future.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Electronic city, Hosur Road, Bengaluru 560100, Karnataka, India. The Company has its primary listings on the BSE Ltd. and National Stock Exchange of India Limited. The Company's American Depositary Shares (ADS) representing equity shares are listed on the New York Stock Exchange (NYSE).

The financial statements are approved for issue by the Company's Board of Directors on April 20, 2020.

1.2 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As the year figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year figures reported in this statement.

1.3 Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note no. 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

1.4 Critical accounting estimates and judgments

a. Revenue recognition

The Company's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgement.

Fixed price maintenance revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed price maintenance contract is recognized ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Company's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of method to recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

The Company uses the percentage-of-completion method in accounting for other fixed-price contracts. Use of the percentage-of-completion method requires the Company to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

b. Income taxes

The Company's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other overseas jurisdictions.

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer note no. 2.16 and note no. 2.22.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, 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 income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

c. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Refer note no. 2.1

d. 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 Infosys'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 changes are required to lease period relating to the existing lease contracts (refer note no 2.3).

e. Non-current assets held for sale

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach) which includes unobservable inputs. Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell . Recoverable amounts of assets reclassified from held for sale have been estimated using management's assumptions which consist of significant unobservable inputs.

f. Loss allowance for receivables and unbilled revenues

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

2.1 PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building[(1)]	22-25 years
Plant and machinery[(1)(2)]	5 years
Office equipment	5 years
Computer equipment[(1)]	3-5 years
Furniture and fixtures[(1)]	5 years
Vehicles[(1)]	5 years
Leasehold improvements	Lower of useful life of the asset or lease term

[(1)] *Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.*

[(2)] *Includes solar plant with a useful life of 20 years*

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Impairment

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 Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized 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 depreciation) had no impairment loss been recognized for the asset in prior years.

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2020 are as follows:

(In ₹ crore)

Particulars	Land-Freehold	Land-Leasehold	Buildings[1][2]	Plant and machinery[2]	Office Equipment[2]	Computer equipment[2]	Furniture and fixtures[2]	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2019	**1,305**	**593**	**8,070**	**2,612**	**938**	**5,052**	**1,454**	**414**	**37**	**20,475**
Additions	11	-	968	428	159	765	427	270	7	3,035
Reclassified on account of adoption of Ind AS 116 (Refer to note 2.3)	-	(593)	-	-	-	-	-	-	-	(593)
Deletions	-	-	-	(2)	(3)	(127)	(6)	(15)	(1)	(154)
Gross carrying value as at March 31, 2020	**1,316**	**-**	**9,038**	**3,038**	**1,094**	**5,690**	**1,875**	**669**	**43**	**22,763**
Accumulated depreciation as at April 1, 2019	**-**	**(32)**	**(2,797)**	**(1,762)**	**(672)**	**(3,605)**	**(1,039)**	**(153)**	**(21)**	**(10,081)**
Depreciation	-		(317)	(293)	(118)	(718)	(213)	(110)	(6)	(1,775)
Reclassified on account of adoption of Ind AS 116 (Refer to note 2.3)	-	32	-	-	-	-	-	-	-	32
Accumulated depreciation on deletions	-	-	-	2	3	126	6	15	1	153
Accumulated depreciation as at March 31, 2020	**-**	**-**	**(3,114)**	**(2,053)**	**(787)**	**(4,197)**	**(1,246)**	**(248)**	**(26)**	**(11,671)**
Carrying value as at April 1, 2019	**1,305**	**561**	**5,273**	**850**	**266**	**1,447**	**415**	**261**	**16**	**10,394**
Carrying value as at March 31, 2020	**1,316**	**-**	**5,924**	**985**	**307**	**1,493**	**629**	**421**	**17**	**11,092**

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2019 are as follows:

(In ₹ crore)

Particulars	Land-Freehold	Land-Leasehold	Buildings[1][2]	Plant and machinery[2]	Office Equipment[2]	Computer equipment[2]	Furniture and fixtures[2]	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2018	**1,227**	**661**	**7,271**	**2,209**	**841**	**4,229**	**1,247**	**235**	**29**	**17,949**
Additions	78	-	915	460	130	1,023	238	187	9	3,040
Deletions	-	(68)	(116)	(57)	(33)	(200)	(31)	(8)	(1)	(514)
Gross carrying value as at March 31, 2019	**1,305**	**593**	**8,070**	**2,612**	**938**	**5,052**	**1,454**	**414**	**37**	**20,475**
Accumulated depreciation as at April 1, 2018	**-**	**(30)**	**(2,621)**	**(1,526)**	**(582)**	**(3,143)**	**(896)**	**(107)**	**(17)**	**(8,922)**
Depreciation	-	(5)	(278)	(285)	(116)	(660)	(169)	(54)	(5)	(1,572)
Accumulated depreciation on deletions	-	3	102	49	26	198	26	8	1	413
Accumulated depreciation as at March 31, 2019	**-**	**(32)**	**(2,797)**	**(1,762)**	**(672)**	**(3,605)**	**(1,039)**	**(153)**	**(21)**	**(10,081)**
Carrying value as at April 1, 2018	**1,227**	**631**	**4,650**	**683**	**259**	**1,086**	**351**	**128**	**12**	**9,027**
Carrying value as at March 31, 2019	**1,305**	**561**	**5,273**	**850**	**266**	**1,447**	**415**	**261**	**16**	**10,394**

[1] Buildings include ₹250/- being the value of five shares of ₹50/- each in Mittal Towers Premises Co-operative Society Limited.

[2] Includes certain assets provided on cancellable operating lease to subsidiaries.

The aggregate depreciation has been included under depreciation and amortization expense in the statement of Profit and Loss.
Tangible assets provided on operating lease to subsidiaries as at March 31, 2020 and March 31, 2019 are as follows:

(In ₹ crore)

Particulars	Cost	Accumulated depreciation	Net book value
Buildings	186	91	95
	186	*84*	*102*
Plant and machinery	30	30	-
	30	*28*	*2*
Furniture and fixtures	24	24	-
	24	*23*	*1*
Computer Equipment	3	3	-
	3	*3*	-
Office equipment	16	16	-
	16	*15*	*1*

(In ₹ crore)

Particulars	Year ended March	
	2020	**2019**
Aggregate depreciation charged on above assets	11	19
Rental income from subsidiaries	58	63

2.2 GOODWILL AND OTHER INTANGIBLE ASSETS

2.2.1 Goodwill

Following is a summary of changes in the carrying amount of goodwill:

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Carrying value at the beginning	29	29
Translation differences	-	-
Carrying value at the end	**29**	**29**

2.2.2 Other Intangible Assets:

Accounting Policy

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2020: *(In ₹ crore)*

Particulars	Customer related	Sub-Contracting rights related	Trade name related	Others	Total
Gross carrying value as at April 1, 2019	113	-	26	26	165
Transfer of Assets	-	-	-	-	-
Deletions during the year	-	-	-	-	-
Gross carrying value as at March 31, 2020	**113**	**-**	**26**	**26**	**165**
Accumulated amortization as at April 1, 2019	(56)	-	(18)	(17)	(91)
Transfer of Assets	-	-	-	-	-
Amortization expense	(16)	-	(5)	(5)	(26)
Accumulated amortization on deletions	-	-	-	-	-
Accumulated amortization as at March 31, 2020	**(72)**	**-**	**(23)**	**(22)**	**(117)**
Carrying value as at March 31, 2020	**41**	**-**	**3**	**4**	**48**
Carrying value as at April 1, 2019	57	-	8	9	74
Estimated Useful Life *(in years)*	7	-	5	5	-
Estimated Remaining Useful Life *(in years)*	3	-	1	1	-

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2019: *(In ₹ crore)*

Particulars	Customer related	Sub-Contracting rights related	Trade name related	Others	Total
Gross carrying value as at April 1, 2018	113	-	26	26	165
Transfer of Assets	-	-	-	-	-
Deletions during the year	-	-	-	-	-
Gross carrying value as at March 31, 2019	**113**	**-**	**26**	**26**	**165**
Accumulated amortization as at April 1, 2018	(40)	-	(12)	(12)	(64)
Transfer of Assets	-	-	-	-	-
Amortization expense	(16)	-	(6)	(5)	(27)
Accumulated amortization on deletions	-	-	-	-	-
Accumulated amortization as at March 31, 2019	**(56)**	**-**	**(18)**	**(17)**	**(91)**
Carrying value as at March 31, 2019	**57**	**-**	**8**	**9**	**74**
Carrying value as at April 1, 2018	73	-	14	14	101
Estimated Useful Life *(in years)*	7	-	5	5	-
Estimated Remaining Useful Life *(in years)*	4	-	2	2	-

Research and Development expense recognized in net profit in the statement of profit and loss for the year ended March 31, 2020 and March 31, 2019 is ₹458 crore and ₹416 crore, respectively.

2.3 LEASES

Accounting Policy

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and 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.

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

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.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹1,861 crore, 'Net investment in sublease' of ROU asset of ₹430 crore and a lease liability of ₹2,491 crore. The cumulative effect of applying the standard, amounting to ₹17 crore was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note 2.19 of annual standalone financial statements forming part of 2019 Annual Report and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 4.4%

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

(In ₹ crore)

Particulars	Category of ROU asset			Total
	Land	Buildings	Computers	
Balance as at April 1, 2019	-	1,861	-	1,861
Reclassified on account of adoption of Ind AS 116 (refer to note 2.1)	561	-	-	561
Additions*	1	737	49	787
Deletion	(3)	(58)	-	(61)
Depreciation	(5)	(331)	(7)	(343)
Balance as at March 31, 2020	**554**	**2,209**	**42**	**2,805**

**Net of lease incentives of ₹101 crore related to lease of buildings*

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

(In ₹ crore)

Particulars	As at March 31, 2020
Current lease liabilities	390
Non-current lease liabilities	2,775
Total	**3,165**

The following is the movement in lease liabilities during the year ended March 31, 2020:

(In ₹ crore)

Particulars	Year ended March 31, 2020
Balance at the beginning	2,491
Additions	886
Finance cost accrued during the period	114
Deletions	(61)
Payment of lease liabilities	(418)
Translation Difference	153
Balance at the end	**3,165**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

(In ₹ crore)

Particulars	As at March 31, 2020
Less than one year	512
One to five years	1,744
More than five years	1,490
Total	**3,746**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹37 crore for the year ended March 31,2020.

Rental income on assets given on operating lease to subsidiaries was ₹58 crore for the year ended March 31,2020.

The following is the movement in the net investment in sublease in ROU asset during the year ended March 31, 2020:

(In ₹ crore)

Particulars	Year ended March 31, 2020
Balance at the beginning of the period	**430**
Interest income accrued during the period	15
Lease receipts	(46)
Translation Difference	34
Balance at the end of the period	**433**

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset as at March 31, 2020 on an undiscounted basis:

(In ₹ crore)

Particulars	As at March 31, 2020
Less than one year	50
One to five years	217
More than five years	244
Total	**511**

Leases not yet commenced to which Company is committed amounts to ₹655 crore for a lease term ranging from 2 years to 13 years.

2.4 INVESTMENTS AND ASSETS HELD FOR SALE

(In ₹ crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
Non-current investments		
Equity instruments of subsidiaries	7,553	6,349
Debentures of subsidiary	1,159	1,445
Redeemable Preference shares of subsidiary	1,318	-
Preference securities and equity instruments	103	90
Others	30	16
Tax free bonds	1,825	1,828
Government bonds	13	-
Fixed maturity plans securities	-	401
Non-convertible debentures	1,251	1,209
Government Securities	664	724
Total non-current investments	**13,916**	**12,062**
Current investments		
Liquid mutual fund units	2,019	1,701
Certificates of deposit	886	2,123
Government bonds	-	12
Fixed maturity plans securities	428	-
Non-convertible debentures	673	1,746
Commercial paper	-	495
Total current investments	**4,006**	**6,077**
Total carrying value	**17,922**	**18,139**

(In ₹ crore, except as otherwise stated)

Particulars	As at	
	March 31, 2020	March 31, 2019
Non-current investments		
Unquoted		
Investment carried at cost		
Investments in equity instruments of subsidiaries		
Infosys BPM Limited	660	659
3,38,23,444 (3,38,22,319) equity shares of ₹10/- each, fully paid up		
Infosys Technologies (China) Co. Limited	333	333
Infosys Technologies (Australia) Pty Limited [(1)]	-	5
Nil (1,01,08,869) equity shares of AUD 0.11 par value, fully paid		
Infosys Technologies, S. de R.L. de C.V., Mexico	65	65
17,49,99,990 (17,49,99,990) equity shares of MXN 1 par value, fully paid up		
Infosys Technologies (Sweden) AB	76	76
1,000 (1,000) equity shares of SEK 100 par value, fully paid		
Infosys Technologia do Brasil Ltda	-	276
Nil (12,84,20,748) shares of BRL 1.00 par value, fully paid		
Infosys Technologies (Shanghai) Company Limited	900	900
Infosys Public Services, Inc.	99	99
3,50,00,000 (3,50,00,000) shares of USD 0.50 par value, fully paid		
Infosys Consulting Holding AG	1,323	1,323
23,350 (23,350) - Class A shares of CHF 1,000 each and		
26,460 (26,460) - Class B Shares of CHF 100 each, fully paid up		
Infosys Americas Inc.	1	1
10,000 (10,000) shares of USD 10 per share, fully paid up		
EdgeVerve Systems Limited	1,312	1,312
1,31,18,40,000 (1,31,18,40,000) equity shares of ₹10/- each, fully paid up		
Infosys Nova Holdings LLC	1,335	-
Infosys Consulting Pte Ltd	10	10
1,09,90,000 (1,09,90,000) shares of SGD 1.00 par value, fully paid		
Brilliant Basics Holding Limited	59	59
1,346 (1,346) shares of GBP 0.005 each, fully paid up		
Infosys Arabia Limited	2	2
70 (70) shares		
Kallidus Inc.	150	150
10,21,35,416 (10,21,35,416) shares		
Skava Systems Private Limited	59	59
25,000 (25,000) shares of ₹10/- each, fully paid up		
Panaya Inc.	582	582
2 (2) shares of USD 0.01 per share, fully paid up		
Infosys Chile SpA	7	7
100 (100) shares		
Wongdoody Holding Company Inc	359	350
2,000 (2,000) shares		
Infosys Luxembourg S.a r.l.	4	4
3,700 (3,700) shares		
Infosys Austria GmBH (formerly known as Lodestone Management Consultants GmbH)	-	-
80,000 (80,000) shares of EUR 1 par value, fully paid up		
Infosys Consulting Brazil	183	43
16,49,15,570 (8,26,56,605) shares of BRL 1 per share, fully paid up		
Infosys Romania	34	34
99,183 (99,183) shares of RON 100 per share, fully paid up		
Investment in Redeemable Preference shares of subsidiary		
Infosys Consulting Pte Ltd		
24,92,00,000 (Nil) shares of SGD 1 per share, fully paid up	1,318	-
	8,871	**6,349**
Investment carried at amortized cost		
Investment in debentures of subsidiary		
EdgeVerve Systems Limited		
12,58,00,000 (14,45,00,000) Unsecured redeemable, non-convertible debentures of ₹ 100/- each fully paid up	1,159	1,445
	1,159	**1,445**

Investments carried at fair value through profit or loss		
Others [2]	30	16
	30	**16**
Investment carried at fair value through other comprehensive income (FVOCI)		
Preference securities	101	89
Equity instruments	2	1
	103	**90**
Quoted		
Investments carried at amortized cost		
Tax free bonds	1,825	1,828
Government bonds	13	-
	1,838	**1,828**
Investments carried at fair value through profit or loss		
Fixed maturity plans securities	-	401
	-	**401**
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	1,251	1,209
Government Securities	664	724
	1,915	**1,933**
Total non-current investments	**13,916**	**12,062**
Current investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	2,019	1,701
	2,019	**1,701**
Investments carried at fair value through other comprehensive income		
Commercial paper	-	495
Certificates of deposit	886	2,123
	886	**2,618**
Quoted		
Investments carried at amortized cost		
Government bonds	-	12
	-	**12**
Investments carried at fair value through profit or loss		
Fixed maturity plans securities	428	-
	428	**-**
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	673	1,746
	673	**1,746**
Total current investments	**4,006**	**6,077**
Total investments	**17,922**	**18,139**
Aggregate amount of quoted investments	4,854	5,920
Market value of quoted investments (including interest accrued), current	1,101	1,757
Market value of quoted investments (including interest accrued), non current	4,048	4,374
Aggregate amount of unquoted investments	13,068	12,219
[1] Aggregate amount of impairment in value of investments	121	122
Reduction in the fair value of assets held for sale	854	854
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	469	469
Investments carried at cost	8,871	6,349
Investments carried at amortized cost	2,997	3,285
Investments carried at fair value through other comprehensive income	3,577	6,387
Investments carried at fair value through profit or loss	2,477	2,118

[2] Uncalled capital commitments outstanding as of March 31, 2020 and March 31, 2019 was ₹15 crore and ₹17 crore, respectively.

Refer note no. 2.10 for accounting policies on financial instruments.

Details of amounts recorded in Other comprehensive income:

(In ₹ crore)

	Year ended					
	March 31, 2020			March 31, 2019		
	Gross	Tax	Net	Gross	Tax	Net
Net Gain/(loss) on						
Non-convertible debentures	23	(3)	20	1	-	1
Government Securities	-	-	-	4	(1)	3
Certificate of deposits	(5)	2	(3)	(5)	2	(3)
Equity and preference securities	(29)	(2)	(31)	73	5	78

Method of fair valuation:

(In ₹ crore)

Class of investment	Method	Fair value as at	
		March 31, 2020	March 31, 2019
Liquid mutual fund units	Quoted price	2,019	1,701
Fixed maturity plan securities	Market observable inputs	428	401
Tax free bonds and government bonds	Quoted price and market observable inputs	2,135	2,048
Non-convertible debentures	Quoted price and market observable inputs	1,924	2,955
Government Securities	Quoted price	664	724
Certificate of deposits	Market observable inputs	886	2,123
Commercial paper	Market observable inputs	-	495
Unquoted equity and preference securities	Discounted cash flows method, Market multiples method, Option pricing model, etc.	103	90
Others	Discounted cash flows method, Market multiples method, Option pricing model, etc.	30	16

Certain quoted investments are classified as Level 2 in the absence of active market for such investments.

2.4.1 Wongdoody Holding Company Inc

On May 22, 2018, Infosys acquired 100% of the voting interests in WongDoody Holding Company Inc., (WongDoody) an US-based, full-service creative and consumer insights agency. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of up to $75 million (approximately ₹514 crore on acquisition date), which includes a cash consideration of $38 million (approximately ₹261 crore), contingent consideration of up to $28 million (approximately ₹192 crore on acquisition date) and an additional consideration of up to $9 million (approximately ₹61 crore on acquisition date), referred to as retention bonus, payable to the employees of WongDoody over the next three years, subject to their continuous employment with the group. Retention bonus is recognized in employee benefit expenses in the statement of Profit or Loss over the period of service. The fair value of contingent consideration on the date of acquisition is ₹89 crore.

2.4.2 Proposed transfer

On October 11, 2019 , the Board of Directors of Infosys authorized the Company to execute a Business Transfer Agreement and related documents with its wholly owned subsidiaries, Kallidus Inc and Skava Systems Private Limited (together referred to as Skava), to transfer the business of Skava to Infosys Limited, subject to securing the requisite regulatory approvals for a consideration based on an independent valuation. The transaction is between a holding company and a wholly owned subsidiary and the resulting impact would be recorded in "Business Transfer Reserve" at the time of transfer.

2.4.3 Details of Investments

The details of non-current other investments in preferred stock and equity instruments as at March 31, 2020 and March 31, 2019 are as follows:

(in ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Preference Securities		
Airviz Inc.	-	3
2,82,279 (2,82,279) Series A Preferred Stock, fully paid up, par value USD 0.001 each		
Whoop Inc	40	14
16,48,352 (16,48,352) Series B Preferred Stock, fully paid up, par value USD 0.0001 each		
Nivetti Systems Private Limited	10	10
2,28,501 (2,28,501) Preferred Stock, fully paid up, par value ₹1 each		
Waterline Data Science, Inc	-	25
39,33,910 (39,33,910) Preferred Series B Shares, fully paid up, par value USD 0.00001 each		
13,35,707 (13,35,707) Preferred Series C Shares, fully paid up, par value USD 0.00001 each		
Trifacta Inc.	42	27
11,80,358 (11,80,358) Preferred Stock		
Ideaforge	9	10
5,402 (5,402) Series A compulsorily convertible cumulative Preference shares of ₹10 each, fully paid up.		
Equity Instrument		
Merasport Technologies Private Limited	-	-
2,420 (2,420) equity shares at ₹ 8,052/- each, fully paid up, par value ₹10/- each		
Global Innovation and Technology Alliance	2	1
15,000 (15,000) equity shares at ₹1,000/- each, fully paid up, par value ₹1,000/- each		
Ideaforge	-	-
100 (100) equity shares at ₹10/-, fully paid up		
Others		
Stellaris Venture Partners India	30	16
	133	**106**

2.4.4 Details of Investments in tax free bonds and government bonds

The balances held in tax free bonds as at March 31, 2020 and March 31, 2019 is as follows: *(In ₹ crore, except as otherwise stated)*

Particulars		March 31, 2020		March 31, 2019	
	Face Value ₹	**Units**	**Amount**	**Units**	**Amount**
7.04% Indian Railway Finance Corporation Limited Bonds 03MAR2026	10,00,000	470	49	470	50
7.16% Power Finance Corporation Limited Bonds 17JUL2025	10,00,000	1,000	105	1,000	105
7.18% Indian Railway Finance Corporation Limited Bonds 19FEB2023	1,000	2,000,000	201	2,000,000	201
7.28% Indian Railway Finance Corporation Limited Bonds 21DEC2030	1,000	422,800	42	422,800	42
7.28% National Highways Authority of India Limited Bonds 18SEP2030	10,00,000	3,300	341	3,300	342
7.34% Indian Railway Finance Corporation Limited Bonds 19FEB2028	1,000	2,100,000	210	2,100,000	210
7.35% National Highways Authority of India Limited Bonds 11JAN2031	1,000	571,396	57	571,396	57
7.93% Rural Electrification Corporation Limited Bonds 27MAR2022	1,000	200,000	20	200,000	21
8.10% Indian Railway Finance Corporation Limited Bonds 23FEB2027	1,000	500,000	52	500,000	52
8.26% India Infrastructure Finance Company Limited Bonds 23AUG2028	10,00,000	1,000	100	1,000	100
8.30% National Highways Authority of India Limited Bonds 25JAN2027	1,000	500,000	53	500,000	53
8.35% National Highways Authority of India Limited Bonds 22NOV2023	10,00,000	1,500	150	1,500	150
8.46% India Infrastructure Finance Company Limited Bonds 30AUG2028	10,00,000	2,000	200	2,000	200
8.46% Power Finance Corporation Limited Bonds 30AUG2028	10,00,000	1,500	150	1,500	150
8.48% India Infrastructure Finance Company Limited Bonds 05SEP2028	10,00,000	450	45	450	45
8.54% Power Finance Corporation Limited Bonds 16NOV2028	1,000	500,000	50	5,00,000	50
Total investments in tax-free bonds		**68,05,416**	**1,825**	**68,05,416**	**1,828**

The balances held in government bonds as at March 31, 2020 and March 31, 2019 is as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	Face Value PHP	March 31, 2020		March 31, 2019	
		Units	Amount	Units	Amount
Treasury Notes Philippines Govt. 17APRIL2019	100	90,000	13	90,000	12
Total investments in government bonds		**90,000**	**13**	**90,000**	**12**

2.4.5 Details of investments in liquid mutual fund units and fixed maturity plan securities

The balances held in liquid mutual fund as at March 31, 2020 and March 31, 2019 is as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	March 31, 2020		March 31, 2019	
	Units	Amount	Units	Amount
Aditya Birla Sun life Corporate Bond Fund -Growth -Direct Plan	26,697,315	211	19,600,407	141
Aditya Birla Sun life Money Manager Fund -Growth -Direct Plan	-	-	7,975,385	201
HDFC Money market Fund- Direct Plan- Growth Option	-	-	772,637	303
ICICI Prudential Savings Fund- Direct Plan-Growth	-	-	8,340,260	301
IDFC Corporate Bond - Fund Direct Plan	-	-	119,581,942	154
Kotak Money Market Fund- Direct Plan- Growth Option	-	-	973,751	301
SBI Premier Liquid Fund -Direct Plan -Growth	331,803	103	1,025,678	300
Axis Treasury Advantage Fund -Growth	865,146	201	-	-
HDFC Liquid Fund- Direct Plan- Growth Option	555,555	217	-	-
HDFC Overnight Fund Direct Plan- Growth Option	1,010,508	300	-	-
ICICI Prudential Liquid Fund –Direct plan –Growth	7,726,245	227	-	-
IDFC Banking and PSU fund - Direct Plan- Growth Option	88,849,927	160	-	-
Kotak Liquid Fund - Direct Plan -Growth	747,509	300	-	-
SBI Overnight Fund -Direct Plan -Growth	922,151	300	-	-
Total investments in liquid mutual fund units	**127,706,159**	**2,019**	**158,270,060**	**1,701**

The balances held in fixed maturity plan security as at March 31, 2020 and March 31, 2019 is as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	March 31, 2020		March 31, 2019	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Fixed Term Plan- Series OD 1145 Days- GR Direct	5,00,00,000	62	5,00,00,000	58
Aditya Birla Sun Life Fixed Term Plan- Series OE 1153 days- GR Direct	2,50,00,000	31	2,50,00,000	29
HDFC FMP 1155D Feb 2017- Direct Growth- Series 37	2,80,00,000	35	2,80,00,000	32
HDFC FMP 1169D Feb 2017- Direct- Quarterly Dividend- Series 37	4,50,00,000	45	4,50,00,000	45
ICICI FMP Series 80-1194 D Plan F Div	4,00,00,000	50	4,00,00,000	46
ICICI Prudential Fixed Maturity Plan Series 80- 1187 Days Plan G Direct Plan	4,20,00,000	52	4,20,00,000	49
ICICI Prudential Fixed Maturity Plan Series 80- 1253 Days Plan J Direct Plan	3,00,00,000	37	3,00,00,000	35
IDFC Fixed Term Plan Series 129 Direct Plan- Growth 1147 Days	1,00,00,000	12	1,00,00,000	12
IDFC Fixed Term Plan Series 131 Direct Plan- Growth 1139 Days	1,50,00,000	19	1,50,00,000	17
Kotak FMP Series 199 Direct- Growth	3,50,00,000	43	3,50,00,000	40
Nippon India Fixed Horizon Fund-XXXII Series 8-Dividend Plan	3,50,00,000	42	3,50,00,000	38
Total investments in fixed maturity plan securities	**35,50,00,000**	**428**	**35,50,00,000**	**401**

2.4.6 Details of investments in non convertible debentures, government securities, certificates of deposit and commercial paper

The balances held in non convertible debenture units as at March 31, 2020 and March 31, 2019 is as follows: *(in ₹ crore, except as otherwise stated)*

Particulars		March 31, 2020		March 31, 2019	
	Face Value ₹	Units	Amount	Units	Amount
7.03% LIC Housing Finance Ltd 28DEC2021	10,00,000/-	2,500	254	-	-
7.24% LIC Housing Finance Ltd 23AUG2021	10,00,000/-	2,500	259	-	-
7.48% Housing Development Finance Corporation Ltd 18NOV2019	1,00,00,000/-	-	-	50	51
7.58% LIC Housing Finance Ltd 28FEB2020	10,00,000/-	-	-	1,000	101
7.58% LIC Housing Finance Ltd 11JUN2020	10,00,000/-	-	-	500	51
7.59% LIC Housing Finance Ltd 14OCT2021	10,00,000/-	3,000	312	3,000	306
7.75% LIC Housing Finance Ltd 27AUG2021	10,00,000/-	1,250	131	1,250	127
7.79% LIC Housing Finance Ltd 19JUN2020	10,00,000/-	500	53	500	53
7.80% Housing Development Finance Corporation Ltd 11NOV2019	1,00,00,000/-	-	-	150	154
7.81% LIC Housing Finance Ltd 27APR2020	10,00,000/-	2,000	215	2,000	214
7.95% Housing Development Finance Corporation Ltd 23SEP2019	1,00,00,000/-	-	-	50	52
8.02% LIC Housing Finance Ltd 18FEB2020	10,00,000/-	-	-	500	51
8.26% Housing Development Finance Corporation Ltd 12AUG2019	1,00,00,000/-	-	-	100	105

8.37% LIC Housing Finance Ltd 03OCT2019	10,00,000/-	-	-	2,000	216
8.37% LIC Housing Finance Ltd 10MAY2021	10,00,000/-	500	54	500	54
8.47% LIC Housing Finance Ltd 21JAN2020	10,00,000/-	-	-	500	51
8.49% Housing Development Finance Corporation Ltd 27APR2020	5,00,000/-	900	49	900	49
8.50% Housing Development Finance Corporation Ltd 31AUG2020	1,00,00,000/-	100	106	100	105
8.50% LIC Housing Finance Ltd 20JUN2022	10,00,000/-	2,200	241	-	-
8.59% Housing Development Finance Corporation Ltd 14JUN2019	1,00,00,000/-	-	-	50	51
8.60% LIC Housing Finance Ltd 29JUL2020	10,00,000/-	1,400	149	1,400	149
8.61% LIC Housing Finance Ltd 11DEC2019	10,00,000/-	-	-	1,000	103
8.72% Housing Development Finance Corporation Ltd 15APR2019	1,00,00,000/-	-	-	75	75
8.75% Housing Development Finance Corporation Ltd 13JAN2020	500,000/-	-	-	5,000	256
8.75% LIC Housing Finance Ltd 14JAN2020	10,00,000/-	-	-	1,070	110
8.75% LIC Housing Finance Ltd 21DEC2020	10,00,000/-	1,000	101	1,000	101
8.97% LIC Housing Finance Ltd 29OCT2019	10,00,000/-	-	-	500	52
9.45% Housing Development Finance Corporation Ltd 21AUG2019	10,00,000/-	-	-	3,000	318
Total investments in non-convertible debentures		**17,850**	**1,924**	**26,195**	**2,955**

The balances held in government securities as at March 31, 2020 and March 31, 2019 are as follows: *(in ₹ crore, except as otherwise stated)*

Particulars		**March 31, 2020**		**March 31, 2019**	
	Face Value ₹	**Units**	**Amount**	**Units**	**Amount**
7.17% Government of India 8JAN2028	10000/-	125,000	132	675,000	672
7.26% Government of India 14JAN2029	10000/-	500,000	532	-	-
7.95% Government of India 28AUG2032	10000/-	-	-	50,000	52
Total investments in government securities		**625,000**	**664**	**725,000**	**724**

The balances held in certificate of deposits as at March 31, 2020 and March 31, 2019 is as follows: *(in ₹ crore, except as otherwise stated)*

Particulars		**March 31, 2020**		**March 31, 2019**	
	Face Value ₹	**Units**	**Amount**	**Units**	**Amount**
Axis Bank	1,00,000/-	-	-	80,000	774
ICICI Bank	1,00,000/-	-	-	75,000	738
Kotak Bank	1,00,000/-	-	-	50,000	486
Vijaya Bank	1,00,000/-	-	-	12,500	125
Bank of Baroda Bank	1,00,000/-	65,000	638	-	-
Oriental Bank of Commerce Bank	1,00,000/-	25,000	248	-	-
Total investments in certificates of deposit		**90,000**	**886**	**217,500**	**2,123**

The balances held in commercial paper as at March 31, 2020 and March 31, 2019 is as follows: *(in ₹ crore, except as otherwise stated)*

Particulars		**March 31, 2020**		**March 31, 2019**	
	Face Value ₹	**Units**	**Amount**	**Units**	**Amount**
LIC	5,00,000/-	-	-	10,000	495
Total investments in commercial paper		**-**	**-**	**10,000**	**495**

2.4.7 Assets held for sale

Accounting policy

Non-current assets and Disposal Group are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset or the Disposal Group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets and Disposal Group held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the Disposal Group no longer meets the "Held for sale" criteria.

During the year ended March 31, 2018, the Company had initiated identification and evaluation of potential buyers for the sale of its investment in subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya. The investment in these subsidiaries was classified and presented separately as "held for sale" and was carried at the lower of carrying value and fair value. During the year ended March 31, 2019, on remeasurement, including consideration of progress in negotiations on offers from prospective buyers for Panaya, the Company has recorded a reduction in the fair value of investment amounting to ₹265 crore in respect of Panaya.

Further based on evaluation of proposals received and progress of negotiations with potential buyers, the Company concluded that the investments in Panaya and Skava does not meet the criteria for "Held for Sale' classification because it is no longer highly probable that sale would be consummated by March 31, 2019 (twelve months from date of initial classification " as held for sale") Accordingly, in accordance with Ind AS 105 -" Non current Assets held for Sale and Discontinued Operations", the investment in subsidiaries, Panaya and Skava have been included in non-current investments line item in the standalone financial statements as at March 31, 2019.

On reclassification from "Held for sale", the investment in subsidiaries, Panaya and Skava have been remeasured at the lower of cost and recoverable amount resulting in recognition of an adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" of ₹469 crore in respect of Skava in the standalone statement of profit and loss for the year ended March 31, 2019.

2.5 LOANS

(In ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Non- Current		
Loan receivables considered good - Unsecured		
Loans to subsidiaries	277	-
Other Loans		
Loans to employees	21	16
	298	**16**
Unsecured, considered doubtful		
Other Loans		
Loans to employees	24	18
	322	**34**
Less: Allowance for doubtful loans to employees	24	18
Total non - current loans	**298**	**16**
Current		
Loan receivables considered good - Unsecured		
Loans to subsidiaries	103	841
Other Loans		
Loans to employees	204	207
Total current loans	**307**	**1,048**
Total Loans	**605**	**1,064**

2.6 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Security deposits [(1)]	46	47
Net investment in Sublease of right of use asset (refer to note 2.3) [(1)]	398	-
Rental deposits [(1)]	169	149
Total non-current other financial assets	**613**	**196**
Current		
Security deposits [(1)]	1	1
Rental deposits [(1)]	4	3
Restricted deposits [(1)*]	1,643	1,531
Unbilled revenues [(1)(5)#]	1,973	1,541
Interest accrued but not due [(1)]	441	865
Foreign currency forward and options contracts [(2)(3)]	19	321
Net investment in Sublease of right of use asset (refer to note 2.3) [(1)]	35	-
Escrow and other deposits pertaining to buyback (refer to note 2.11)[(1)]	-	257
Others [(1)(4)]	282	315
Total current other financial assets	**4,398**	**4,834**
Total other financial assets	**5,011**	**5,030**
[(1)] Financial assets carried at amortized cost	4,992	4,709
[(2)]Financial assets carried at fair value through other comprehensive income	9	37
[(3)]Financial assets carried at fair value through Profit or Loss	10	284
[(4)] Includes dues from subsidiaries	65	34
[(5)] Includes dues from subsidiaries	84	51

* Restricted deposits represent deposit with financial institutions to settle employee related obligations as and when they arise during the normal course of business.

[#] Classified as financial asset as right to consideration is unconditional and is due only after a passage of time.

2.7 TRADE RECEIVABLES

(In ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Unsecured		
Considered good[(2)]	15,459	13,370
Considered doubtful	491	431
	15,950	13,801
Less: Allowances for credit losses	491	431
Total trade receivables*[(1)]*	**15,459**	**13,370**
[(1)] Includes dues from companies where directors are interested	-	-
[(2)] Includes dues from subsidiaries	408	325

2.8 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Balances with banks		
In current and deposit accounts	8,048	10,957
Cash on hand	-	-
Others		
Deposits with financial institutions	5,514	4,594
Total Cash and cash equivalents	**13,562**	**15,551**
Balances with banks in unpaid dividend accounts	30	29
Deposit with more than 12 months maturity	6,171	6,048
Balances with banks held as margin money deposits against guarantees	71	114

Cash and cash equivalents as at March 31, 2020 and March 31, 2019 include restricted cash and bank balances of ₹101 crore and ₹143 crore, respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

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

2.9 OTHER ASSETS

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Non-current		
Capital advances	310	486
Others		
Prepaid expenses	51	95
Prepaid gratuity (refer note 2.20)	143	25
Deferred contract cost	10	226
Withholding taxes and others	759	908
Total non-current other assets	**1,273**	**1,740**
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	129	94
Others		
Unbilled revenues[2]	3,856	2,904
Prepaid expenses [1]	736	580
Deferred contract cost	11	52
Withholding taxes and others	1,356	1,290
Total current other assets	**6,088**	**4,920**
Total other assets	**7,361**	**6,660**
[1] *Includes dues from subsidiaries*	168	109

[2] *Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.*

Withholding taxes and others primarily consist of input tax credits and Cenvat recoverable from Government of India. As at March 31, 2020 Cenvat recoverable includes ₹355 crore which are pending adjudication. The Company expects these amounts to be sustainable on adjudication and recoverable on final resolution.

2.10 FINANCIAL INSTRUMENTS

Accounting Policy

2.10.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

2.10.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order 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.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it 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. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

b. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(i) Financial assets or financial liabilities, at fair value through profit or loss.

This category includes derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

(ii) Cash flow hedge

The Company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to net profit in the Statement of Profit and Loss.

2.10.3 Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.10.4 Fair value of financial instruments

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, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Refer to financial instruments by category table below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.10.5 Impairment

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets and unbilled revenues which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenues 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 recognized is recognized as an impairment gain or loss in statement of profit or loss.

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2020 are as follows:

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value	
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Assets:								
Cash and cash equivalents (Refer Note no. 2.8)	13,562	-	-	-	-	13,562	13,562	
Investments (Refer note no.2.4)								
Preference securities, Equity instruments and others	-	-	30	103	-	133	133	
Tax free bonds and government bonds	1,838	-	-	-	-	1,838	2,135	(2)
Liquid mutual fund units	-	-	2,019	-	-	2,019	2,019	
Redeemable, non-convertible debentures [(1)]	1,159	-	-	-	-	1,159	1,159	
Fixed maturity plan securities	-	-	428	-	-	428	428	
Certificates of deposit	-	-	-	-	886	886	886	
Non convertible debentures	-	-	-	-	1,924	1,924	1,924	
Government Securities	-	-	-	-	664	664	664	
Trade receivables (Refer Note no. 2.7)	15,459	-	-	-	-	15,459	15,459	
Loans (Refer note no. 2.5)	605	-	-	-	-	605	605	
Other financial assets (Refer Note no. 2.6) [(4)]	4,992	-	10	-	9	5,011	4,929	(3)
Total	**37,615**	**-**	**2,487**	**103**	**3,483**	**43,688**	**43,903**	
Liabilities:								
Trade payables (Refer Note no. 2.13)	1,529	-	-	-	-	1,529	1,529	
Lease liabilities (Refer Note no. 2.3)	3,165	-	-	-	-	3,165	3,165	
Other financial liabilities (Refer Note no. 2.12)	5,827	-	592	-	20	6,439	6,439	
Total	**10,521**	**-**	**592**	**-**	**20**	**11,133**	**11,133**	

[(1)] The carrying value of debentures approximates fair value as the instruments are at prevailing market rates

[(2)] On account of fair value changes including interest accrued

[(3)] Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹82 crore

[(4)] Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones

The carrying value and fair value of financial instruments by categories as at March 31, 2019 were as follows:

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value	
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Assets:								
Cash and cash equivalents (Refer Note no. 2.8)	15,551	-	-	-	-	15,551	15,551	
Investments (Refer Note no. 2.4)								
Preference securities, Equity instruments and others	-	-	16	90	-	106	106	
Tax free bonds and government bonds	1,840	-	-	-	-	1,840	2,048	(2)
Liquid mutual fund units	-	-	1,701	-	-	1,701	1,701	
Redeemable, non-convertible debentures [(1)]	1,445	-	-	-	-	1,445	1,445	
Fixed maturity plan securities	-	-	401	-	-	401	401	
Certificates of deposit	-	-	-	-	2,123	2,123	2,123	
Government Securities	-	-	-	-	724	724	724	
Non convertible debentures	-	-	-	-	2,955	2,955	2,955	
Commercial paper	-	-	-	-	495	495	495	
Trade receivables (Refer Note no. 2.7)	13,370	-	-	-	-	13,370	13,370	
Loans (Refer note no. 2.5)	1,064	-	-	-	-	1,064	1,064	
Other financial assets (Refer Note no. 2.6)[(4)]	4,709	-	284	-	37	5,030	4,948	(3)
Total	**37,979**	**-**	**2,402**	**90**	**6,334**	**46,805**	**46,931**	
Liabilities:								
Trade payables (Refer note no. 2.13)	1,604	-	-	-	-	1,604	1,604	
Other financial liabilities (Refer Note no. 2.12)	7,067	-	128	-	1	7,196	7,196	
Total	**8,671**	**-**	**128**	**-**	**1**	**8,800**	**8,800**	

[(1)] The carrying value of debentures approximates fair value as the instruments are at prevailing market rates

[(2)] On account of fair value changes including interest accrued

[(3)] Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹82 crore

[(4)] Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value hierarchy of assets and liabilities as at March 31, 2020 is as follows:

(In ₹ crore)

Particulars	March 31, 2020	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in tax free bonds (Refer note no. 2.4)	2,122	1,960	162	-
Investments in government bonds (Refer note no. 2.4)	13	13	-	-
Investments in liquid mutual fund units (Refer note no. 2.4)	2,019	2,019	-	-
Investments in equity instruments (Refer note no. 2.4)	2	-	-	2
Investments in preference securities (Refer note no. 2.4)	101	-	-	101
Investments in fixed maturity plan securities (Refer note no. 2.4)	428	-	428	-
Investments in certificates of deposit (Refer note no. 2.4)	886	886	-	-
Investments in non convertible debentures (Refer note no. 2.4)	1,924	1,558	366	-
Investments in government securities (Refer note no. 2.4)	664	664	-	-
Other investments (Refer note no. 2.4)	30	-	-	30
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer note no. 2.6)	19	-	19	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer note no. 2.12)	461	-	461	-
Liability towards contingent consideration (Refer note no. 2.12)[(1)]	151	-	-	151

(1) Discount rate pertaining to contingent consideration ranges is 14%

During the year ended March 31, 2020, tax free bonds and non-convertible debentures of ₹518 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on Quoted price, and tax free bonds of ₹50 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

The fair value hierarchy of assets and liabilities as at March 31, 2019 was as follows:

(In ₹ crore)

Particulars	March 31, 2019	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in government securities (Refer Note no. 2.4)	724	724	-	-
Investments in tax free bonds (Refer Note no. 2.4)	2,036	1,765	271	-
Investments in liquid mutual fund units (Refer Note no. 2.4)	1,701	1,701	-	-
Investments in government bonds (Refer Note no. 2.4)	12	12	-	-
Investments in equity instruments (Refer Note no. 2.4)	1	-	-	1
Investments in preference securities (Refer Note no. 2.4)	89	-	-	89
Investments in fixed maturity plan securities (Refer Note no. 2.4)	401	-	401	-
Investments in certificates of deposit (Refer Note no. 2.4)	2,123	-	2,123	-
Investments in non convertible debentures (Refer Note no. 2.4)	2,955	1,612	1,343	-
Investments in commercial paper (Refer Note no. 2.4)	495	-	495	-
Other investments (Refer Note no. 2.4)	16	-	-	16
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer Note no. 2.6)	321	-	321	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer note 2.12)	13	-	13	-
Liability towards contingent consideration (Refer note no. 2.12)[(1)]	116	-	-	116

(1) Discount rate pertaining to contingent consideration ranges from 10% to 16%

During the year ended March 31, 2019, tax free bonds and non-convertible debentures of ₹336 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on Quoted price, and ₹746 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets and liabilities does not have a significant impact in its value.

Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no realistic prospect of recovery.

Market risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in the United States and elsewhere, and purchases from overseas suppliers in various foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

The following table analyses the foreign currency risk from monetary assets and liabilities as at March 31, 2020:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	434	80	15	40	162	731
Trade receivables	10,369	2,035	1,061	610	733	14,808
Other financial assets , loans and other current assets	5,611	1,088	341	290	578	7,908
Lease Liabilities	(1,520)	(378)	(337)	(47)	(127)	(2,409)
Trade payables	(746)	(132)	(179)	(73)	(77)	(1,207)
Other financial liabilities	(4,012)	(553)	(189)	(371)	(415)	(5,540)
Net assets / (liabilities)	**10,136**	**2,140**	**712**	**449**	**854**	**14,291**

The following table analyses the foreign currency risk from monetary assets and liabilities as at March 31, 2019:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	1,013	102	23	58	185	1,381
Trade Receivables	9,009	1,688	1,005	484	693	12,879
Other financials assets (including loans)	3,617	815	280	259	997	5,968
Trade payables	(645)	(99)	(201)	(77)	(52)	(1,074)
Other financial liabilities	(3,546)	(364)	(196)	(290)	(257)	(4,653)
Net assets / (liabilities)	**9,448**	**2,142**	**911**	**434**	**1,566**	**14,501**

Sensitivity analysis between Indian Rupee and USD

Particulars	Year ended March 31,	
	2020	2019
Impact on the Company's incremental Operating Margins	0.47%	0.48%

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The details in respect of outstanding foreign currency forward and option contracts are as follows :

Particulars	As at March 31, 2020		As at March 31, 2019	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Option Contracts				
In Australian dollars	110	507	120	588
In Euro	120	993	135	1,049
In United Kingdom Pound Sterling	21	196	25	226
Other derivatives				
Forward contracts				
In Canadian dollars	21	117	13	68
In Euro	171	1,415	166	1,289
In Japanese Yen	-	-	550	34
In New Zealand dollars	16	72	16	75
In Norwegian Krone	40	29	40	32
In South African Rand	-	-	-	-
In Singapore dollars	80	425	140	716
In Swedish Krona	50	37	50	37
In Swiss Franc	-	-	25	172
In U.S. dollars	925	6,990	855	5,910
In United Kingdom Pound Sterling	45	421	70	634
Option Contracts				
In Australian dollars	-	-	10	49
In Canadian dollars	-	-	13	69
In Euro	-	-	60	466
In Swiss Franc	-	-	5	35
In U.S. dollars	555	4,196	433	2,995
In United Kingdom Pound Sterling	-	-	10	91
Total forwards and option contracts		**15,398**		**14,535**

The foreign exchange forward and option contracts mature within twelve months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the balance sheet date:

(In ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Not later than one month	4,796	4,082
Later than one month and not later than three months	7,396	6,368
Later than three months and not later than one year	3,206	4,085
	15,398	**14,535**

During the year ended March 31, 2019, the Company has designated certain foreign exchange forward and option contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve as at March 31, 2019 are expected to occur and reclassified to statement of profit and loss within 3 months.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of its forecasted cash flows. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the Statement of Profit or Loss at the time of the hedge relationship rebalancing.

The following table provides the reconciliation of cash flow hedge reserve for the year ended March 31, 2020 and March 31, 2019 :

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Gain / (Loss)		
Balance at the beginning of the year	21	-
Gain / (Loss) recognized in other comprehensive income during the year	25	118
Amount reclassified to profit and loss during the year	(73)	(90)
Tax impact on above	12	(7)
Balance at the end of the year	**(15)**	**21**

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The quantitative information about offsetting of derivative financial assets and derivative financial liabilities is as follows:

(In ₹ crore)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset / liability	43	(485)	323	(15)
Amount set off	(24)	24	(2)	2
Net amount presented in Balance Sheet	**19**	**(461)**	**321**	**(13)**

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹15,459 crore and ₹13,370 crore as at March 31, 2020 and March 31, 2019, respectively and unbilled revenue amounting to ₹5,829 crore and ₹4,445 crore as at March 31, 2020 and March 31, 2019, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue from customers primarily located in the United States of Americas. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the customers to which the Company grants credit terms in the normal course of business. The Company uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. This matrix takes into account available external and internal credit risk information such as CDS spread quotes, ratings from international credit rating agencies and the Company's historical collection experience for customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and there is no single customer contributing more than 10% of outstanding trade receivables and unbilled revenues.

The details in respect of percentage of revenues generated from top customer and top 10 customers are as follows:

(In %)

Particulars	Year ended March 31,	
	2020	2019
Revenue from top customer	3.5	4.0
Revenue from top 10 customers	20.6	20.3

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2020 and March 31, 2019 is ₹127 crore and ₹176 crore, respectively.

Movement in credit loss allowance:

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Balance at the beginning	521	401
Impairment loss recognized/ (reversed)	127	176
Amounts written off	(89)	(67)
Translation differences	21	11
Balance at the end	**580**	**521**

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no realistic prospect of recovery.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high ratings assigned by international and domestic credit rating agencies. Ratings are monitored periodically and the Compnay has considered the latest available credit ratings in view of COVID – 19 as at the date of approval of these financial statements.

Majority of investments of the Company are fair valued based on Level 1 or Level 2 inputs. These investments primarily include investment in liquid mutual fund units, fixed maturity plan securities, certificates of deposit, commercial papers, quoted bonds issued by government and quasi-government organizations and non convertible debentures. The Company invests after considering counterparty risks based on multiple criteria including Tier I capital, Capital Adequacy Ratio, Credit Rating, Profitability, NPA levels and deposit base of banks and financial institutions. These risks are monitored regularly as per its risk management program.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding borrowings. The Company believes that the working capital is sufficient to meet its current requirements.

As at March 31, 2020, the Company had a working capital of ₹28,600 crore including cash and cash equivalents of ₹13,562 crore and current investments of ₹4006 crore. As at March 31, 2019, the Company had a working capital of ₹30,793 crore including cash and cash equivalents of ₹15,551 crore and current investments of ₹6,077 crore.

As at March 31, 2020 and March 31, 2019, the outstanding compensated absences were ₹1,529 crore and ₹1,411 crore, respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2020 are as follows:

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	1,529	-	-	-	1,529
Other financial liabilities (excluding liability towards contingent consideration) (Refer Note no. 2.12)	5,827	-	-	-	5,827
Liability towards contingent consideration on an undiscounted basis (Refer Note no. 2.12)	152	-	-	-	152

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2019 were as follows:

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	1,604	-	-	-	1,604
Other financial liabilities (excluding liability towards contingent consideration) (Refer Note no. 2.12)	7,067	-	-	-	7,067
Liability towards contingent consideration on an undiscounted basis (Refer Note no. 2.12)	82	53	-	-	135

2.11 EQUITY

Accounting policy

Ordinary Shares

Ordinary shares are classified as equity share capital . Incremental costs directly attributable to the issuance of new ordinary shares, share options and buyback are recognized as a deduction from equity, net of any tax effects.

In December 2017, Ind AS 12 – Income Taxes was amended which clarified that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. On April 1, 2019, the Company adopted these amendments and there was no impact of these amendments on the Company's financial statements.

Description of reserves

Retained earnings

Retained earnings represent the amount of accumulated earnings of the Company.

Securities premium

The amount received in excess of the par value of equity shares has been classified as securities premium.

Share Options Outstanding Account

The Share options outstanding account is used to record the fair value of equity-settled share based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees.

Other Reserves

The Special Economic Zone Re-investment reserve has been created out of the profit of the eligible SEZ unit in terms of the provisions of Sec 10AA (1)(ii) of Income Tax Act, 1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in terms of the provisions of the Sec 10AA (2) of the Income Tax Act, 1961.

Capital Redemption Reserve

In accordance with section 69 of the Indian Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

Other components of equity

Other components of equity consist of remeasurement of net defined benefit liability / asset, equity instruments fair valued through other comprehensive income, changes on fair valuation of investments and changes in fair value of derivatives designated as cash flow hedges, net of taxes.

Cash flow hedge reserve

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of Profit and Loss upon the occurrence of the related forecasted transaction.

2.11.1 EQUITY SHARE CAPITAL

(In ₹ crore, except as otherwise stated)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Authorized		
Equity shares, ₹5/- par value		
4,80,00,00,000 (4,80,00,00,000) equity shares	2,400	2,400
Issued, Subscribed and Paid-Up		
Equity shares, ₹5/- par value [(1)]	2,129	2,178
4,25,89,92,566 (4,35,62,79,444) equity shares fully paid-up		
	2,129	**2,178**

[(1)] *Refer note no. 2.21 for details of basic and diluted shares*

Forfeited shares amounted to ₹1,500/- (₹1,500/-)

The Company has only one class of shares referred to as equity shares having a par value of ₹5/-. Each holder of equity shares is entitled to one vote per share. The equity shares represented by American Depository Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts. However, no such preferential amounts exist currently.

In the period of five years immediately preceding March 31, 2020:

The Company has allotted 2,18,41,91,490 , 1,14,84,72,332 and 57,42,36,166 fully paid-up shares of face value ₹5/- each during the quarter ended September 30, 2018 , June 30, 2015 and December 31, 2014, respectively pursuant to bonus issue approved by the shareholders through postal ballot. The bonus shares were issued by capitalization of profits transferred from general reserve. Bonus share of one equity share for every equity share held, and a bonus issue, viz., a stock dividend of one American Depositary Share (ADS) for every ADS held, respectively, has been allotted. Consequently, the ratio of equity shares underlying the ADSs held by an American Depositary Receipt holder remains unchanged. Options granted under the stock option plan have been adjusted for bonus shares wherever appropriate.

The bonus shares once allotted shall rank pari passu in all respects and carry the same rights as the existing equity shareholders and shall be entitled to participate in full, in any dividend and other corporate action, recommended and declared after the new equity shares are allotted

Update on capital allocation policy and buyback

In line with the capital allocation policy announced in April 2018, the Board, in its meeting held on January 11, 2019, approved the following :

(a) Declared a special dividend of ₹4/- per equity share;

(b) Recommended buyback of Equity Shares from the open market route through Indian stock exchanges of up to ₹8,260 crore (Maximum Buyback Size) at a price not exceeding ₹800 per share (Maximum Buyback Price) which would comprise approximately 2.36% of the paid-up equity share capital of the Company, subject to shareholders' approval by way of Postal Ballot.

The shareholders approved the proposal of buyback of equity shares recommended by its Board of Directors in its meeting held on January 11, 2019 through the postal ballot that concluded on March 12, 2019.

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange commenced on March 20, 2019 and was completed on August 26, 2019 . During this buyback period the Company had purchased and extinguished a total of 110,519,266 equity shares from the stock exchange at an average buy back price of ₹747/- per equity share comprising 2.53% of the pre buyback paid-up equity share capital of the Company. The buyback resulted in a cash outflow of ₹8,260 crore (excluding transaction costs). The Company funded the buyback from its free reserves.

In accordance with section 69 of the Companies Act, 2013, as at March 31, 2020 the Company has created 'Capital Redemption Reserve' of ₹55 crore equal to the nominal value of the above shares bought back as an appropriation from general reserve.

After the execution of the above buy back, payment of special dividend (including dividend distribution tax) of ₹2,107 crore in January 2019 and payment of special dividend (including dividend distribution tax) of ₹2,633 crore in June 2018, the Company has completed the distribution of ₹13,000 crore, which was announced as part of its capital allocation policy in April 2018.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As at March 31, 2020, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

2.11.2 DIVIDEND

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

The Company declares and pays dividends in Indian rupees. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

Effective fiscal 2018 the Company's policy was to pay up to 70% of the free cash flow annually by way of dividend and/or buyback.

Effective from fiscal 2020, the company expects to return approximately 85% of the free cash flow cumulatively over a 5-year period through a combination of semi-annual dividends and/or share buyback and/or special dividends, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the statement of cash flows prepared under IND AS. Dividend and buyback include applicable taxes.

The amount of per share dividend recognized as distribution to equity shareholders is as follows: *(in ₹)*

Particulars	**Year ended March 31,**	
	2020	**2019**
Interim Dividend for fiscal 2020	8.00	-
Final Dividend for fiscal 2019	10.50	-
Interim Dividend for fiscal 2019	-	7.00
Special dividend for fiscal 2019*	-	4.00
Final Dividend for fiscal 2018*	-	10.25
Special dividend for fiscal 2018*	-	5.00

** Dividend per share declared previously, retrospectively adjusted for September 2018 bonus issue*

During the year ended March 31, 2020 on account of the final dividend for fiscal 2020 and interim dividend for fiscal 2020 the Company has incurred a net cash outflow of ₹8,624 crore inclusive of dividend distribution tax.

The Board of Directors in their meeting on April 20, 2020 recommended a final dividend of ₹9.50/- per equity share for the financial year ended March 31, 2020. This payment is subject to the approval of shareholders in the Annual General Meeting of the Company. In view of Covid-19, the Company is working on an Annual General Meeting date which will be announced by the company in due course. This final dividend if approved by shareholders would result in a net cash outflow of approximately ₹4,046 crore.

The details of shareholder holding more than 5% shares as at March 31, 2020 and March 31, 2019 are set out below :

Name of the shareholder	**As at March 31, 2020**		**As at March 31, 2019**	
	Number of shares	**% held**	**Number of shares**	**% held**
Deutsche Bank Trust Company Americas (Depository of ADR's - legal ownership)	73,93,01,182	17.36	74,62,54,648	17.11
Life Insurance Corporation of India	28,20,08,863	6.62	25,43,32,376	5.83

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2020 and March 31, 2019 is set out below:

in ₹ crore, except as stated otherwise

Particulars	**As at March 31, 2020**		**As at March 31, 2019**	
	Number of shares	**Amount**	**Number of shares**	**Amount**
As at the beginning of the period	4,35,62,79,444	2,178	2,18,41,14,257	1,092
Add: Shares issued on exercise of employee stock options -before bonus issue	-	-	77,233	-
Add: Bonus shares issued	-	-	2,18,41,91,490	1,092
Add: Shares issued on exercise of employee stock options - after bonus issue	580,388	-	548,464	-
Less: Shares bought back[(1)(2)]	9,78,67,266	49	1,26,52,000	6
As at the end of the period	**4,25,89,92,566**	**2,129**	**4,35,62,79,444**	**2,178**

[(1)] Includes 18,18,000 shares which have been purchased on account of buyback during the three months ended March 31, 2019 and have not been extinguished as of March 31, 2019

[(2)] Includes 36,36,000 shares which have been purchased on account of buyback during the three months ended March 31, 2019 but have not been settled and therefore not extinguished as of March 31, 2019

2.11.3 Employee Stock Option Plan (ESOP):

Accounting Policy

The Company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

Infosys Expanded Stock Ownership Program 2019 (the 2019 Plan) :

On June 22, 2019 pursuant to approval by the shareholders in the Annual General Meeting , the Board has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company and its subsidiaries under the 2019 Plan. The maximum number of shares under the 2019 plan shall not exceed 50,000,000 equity shares. To implement the 2019 Plan , upto 45,000,000 equity shares may be issued by way of secondary acquisition of shares by Infosys Expanded Stock Ownership Trust. The RSUs granted under the 2019 plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator (Nomination and Remuneration Committee). The performance parameters will be based on a combination of relative total shareholders return (TSR) against selected industry peers and certain broader market domestic and global indices and operating performance metrics of the company as decided by administrator. Each of the above performance parameters will be distinct for the purposes of calculation of quantity of shares to vest based on performance. These instruments will generally vest between a minimum of 1 to maximum of 3 years from the grant date.

2015 Stock Incentive Compensation Plan (the 2015 Plan) :

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board has been authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (the 2015 Plan). The maximum number of shares under the 2015 plan shall not exceed 24,038,883 equity shares (this includes 11,223,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). The Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

The equity settled and cash settled RSUs and stock options would vest generally over a period of 4 years and shall be exercisable within the period as approved by the Nomination and Remuneration Committee (NARC). The exercise price of the RSUs will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant.

Consequent to the September 2018 bonus issue, all the then outstanding options granted under the stock option plan have been adjusted for bonus shares. Unless otherwise stated , all the prior period share numbers, share prices and weighted average exercise prices in this note have been adjusted to give effect to the September 2018 bonus issue.

Controlled trust holds 18,239,356 and 20,324,982 shares as at March 31, 2020 and March 31, 2019, respectively under the 2015 plan. Out of these shares, 200,000 each have been earmarked for welfare activities of the employees as at March 31, 2020 and March 31, 2019.

The following is the summary of grants during the year ended March 31, 2020 and March 31, 2019:

Particulars	2019 Plan		2015 Plan	
	Year ended March 31,		Year ended March 31,	
	2020	2019	2020	2019*
Equity settled RSU				
KMPs	356,793	-	507,896	675,530
Employees other than KMPs	1,734,500	-	3,346,280	3,665,170
	2,091,293	-	**3,854,176**	**4,340,700**
Cash settled RSU				
KMPs	-	-	180,400	-
Employees other than KMPs	-	-	475,740	74,090
	-	**-**	**656,140**	**74,090**
Total Grants	**2,091,293**	**-**	**45,10,316**	**44,14,790**

** Information is adjusted for September, 2018 bonus issue*

Notes on grants to KMP:

CEO & MD

Under the 2015 plan:

In accordance with the employee agreement which has been approved by the shareholders, the CEO is eligible to receive an annual grant of RSUs of fair value ₹3.25 crore which will vest overtime in three equal annual installments upon the completion of each year of service from the respective grant date. Accordingly, annual time-based grant of 41,782 RSUs was made effective February 27, 2020 for fiscal 2020. Though the annual time based grants for the remaining employment term ending on March 31, 2023 have not been granted as of March 31, 2020, since the service commencement date precedes the grant date, the company has recorded employment stock compensation expense in accordance with Ind AS 102, Share based payments.

The Board, on April 12, 2019, based on the recommendations of the Nomination and Remuneration Committee, approved the performance-based grant of RSUs amounting to ₹13 crore for the financial year 2020 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 177,887 performance based RSU's were granted effective May 2, 2019.

In accordance with the shareholders approval in the Annual General meeting held on June 22, 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, approved to amend the vesting period of the annual performance equity grant from three years to one year. Accordingly the vesting period of 217,200 (adjusted for September 2018 bonus issue) performance based RSUs granted effective May 2, 2018 and 177,887 performance based RSU's granted effective May 2, 2019 have been amended to one year.

Under the 2019 plan:

In accordance with the shareholders approval in Annual General meeting held on June 22, 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for financial year 2020 under the 2019 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 134,138 performance based RSU's were granted effective June 22, 2019.

COO and Whole time director

Under the 2015 plan:

On February 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time-based grant of 58,650 RSUs granted effective February 27, 2020.

Under the 2019 plan:

In accordance with the shareholders approval in Annual General meeting held on June 22, 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹4 crore for financial year 2020 under the 2019 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 53,655 performance based RSU's were granted effective June 22, 2019.

Other KMPs

Under the 2015 plan:

On April 12, 2019, based on the recommendations of the Nomination and Remuneration Committee, in accordance with employment agreement, the Board, approved performance-based grant of 10,263 RSUs and time based grant of 23,946 RSUs to other KMP under the 2015 Plan. The grants were made effective May 2, 2019. The time based RSUs will generally vest over four years and the performance based RSUs will vest over three years based on certain performance targets.

On February 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 375,768 RSUs to other KMPs under the 2015 plan. The grants were made effective February 27, 2020. These RSUs will vest over four years.

Under the 2019 plan:

On February 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance based grants of 169,000 RSUs to other KMPs under the 2019 plan. The grants were made effective February 27, 2020. These RSUs will vest over three years based on achievement of certain performance targets.

Break-up of employee stock compensation expense

(in ₹ crore)

Particulars	Year ended March 31,	
	2020	**2019**
Granted to:		
KMP	56	33
Employees other than KMP	170	149
Total [(1)]	**226**	**182**
[(1)] *Cash settled stock compensation expense included in the above*	10	2

Share based payment arrangements that were modified during the year ended March 31, 2020:

During the year ended March 31, 2020, the company issued stock appreciation rights as replacement for outstanding ADS settled RSU and ESOP awards. The replacement was pursuant to SEBI Circular 'Framework for issue of Depository Receipts' dated October 10, 2019 which prohibited companies to allot ADS to Indian residents and Non resident Indians. The awards were granted after necessary approvals from the NARC. All other terms and conditions of the replaced awards remain the same as the original award.

The replacement awards was accounted as a modification and the fair value on the date of modification of ₹57 crore is recognized as financial liability with a corresponding adjustment to equity.

The activity in the 2015 and 2019 Plan for equity-settled share based payment transactions during the year ended March 31, 2020 and March 31, 2019 is set out as follows:

Particulars	Year ended March 31, 2020		Year ended March 31, 2019*	
	Shares arising out of options	**Weighted average exercise price (₹)**	**Shares arising out of options**	**Weighted average exercise price (₹)**
2015 Plan: RSU				
Outstanding at the beginning	91,81,198	3.13	75,00,818	2.50
Granted	38,54,176	5.00	43,40,700	3.84
Exercised	25,61,218	2.95	18,64,510	2.50
Modification to cash settled awards	10,61,820	-	-	-
Forfeited and expired	6,31,438	3.29	7,95,810	2.61
Outstanding at the end	**87,80,898**	**3.96**	**91,81,198**	**3.13**
Exercisable at the end	392,185	2.54	235,256	2.50
2015 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning	16,23,176	516	19,33,826	493
Granted	-	-	-	-
Exercised	1,04,796	516	117,350	515
Modification to cash settled awards	3,51,550	-	-	-
Forfeited and expired	66,500	528	1,93,300	521
Outstanding at the end	**11,00,330**	**539**	**16,23,176**	**516**
Exercisable at the end	7,80,358	543	6,98,500	517
2019 Plan: RSU				
Outstanding at the beginning	-	-	-	-
Granted	2,091,293	5.00	-	-
Exercised	-	-	-	-
Forfeited and expired	-	-	-	-
Outstanding at the end	**20,91,293**	**5.00**	-	-
Exercisable at the end	-	-	-	-

**Information in the table above is adjusted for September 2018 bonus issue.*

During the year ended March 31, 2020 and March 31, 2019 the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹751 and ₹701 (adjusted for September 2018 bonus issue) respectively.

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2020 is as follows:

Range of exercise prices per share (₹)	2019 plan - Options outstanding			2015 plan - Options outstanding		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
2015 Plan:						
0 - 5 (RSU)	2,091,293	1.76	5.00	8,780,898	1.59	3.96
450 - 600 (ESOP)	-	-	-	1,100,330	3.48	539
	2,091,293	**1.76**	**5.00**	**9,881,228**	**1.80**	**64**

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2019 was as follows:

Range of exercise prices per share (₹)	2015 plan - Options outstanding *		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
2015 Plan:			
0 - 5 (RSU)	9,181,198	1.70	3.13
450 - 600 (ESOP)	1,623,176	5.04	516
	10,804,374	**2.20**	**80**

**Information in the table above is adjusted for September 2018 bonus issue.*

As at March 31, 2020 and March 31, 2019, 18,12,895 and 1,77,454 (net of forfeitures) cash settled options were outstanding respectively. The carrying value of liability towards cash settled share based payments was ₹48 crore and ₹9 crore as at March 31, 2020 and March 31, 2019 respectively.

The fair values of the awards are estimated using the Black-Scholes Model for time and non-market performance based options and Monte Carlo simulation model is used for TSR based options.

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the options. Expected volatility of the comparative company have been modelled based on historical movements in the market prices of their publicly traded equity shares during a period equivalent to the expected term of the options. Correlation coefficient is calculated between each peer entity and the indices as a whole or between each entity in the peer group.

The fair value of each equity settled award is estimated on the date of grant with the following assumptions:

Particu	For options granted in			
	Fiscal 2020-Equity Shares-RSU	Fiscal 2020-ADS-RSU	Fiscal 2019-Equity Shares-RSU	Fiscal 2019-ADS-RSU
Weighted average share price (₹) / ($ ADS)[1]	728	10.52	696	10.77
Exercise price (₹)/ ($ADS)[1]	5.00	0.07	3.31	0.06
Expected volatility (%)	22-30	22-26	21-25	22-26
Expected life of the option (years)	1-4	1-4	1-4	1-4
Expected dividends (%)	2-3	2-3	2.65	2.65
Risk-free interest rate (%)	6-7	1-3	7-8	2-3
Weighted average fair value as on grant date (₹) / ($ADS)[1]	607	7.84	648	10.03

[1] Fiscal 2019 values are adjusted for September 2018 bonus issue wherever applicable

The expected life of the RSU/ESOP is estimated based on the vesting term and contractual term of the RSU/ESOP, as well as expected exercise behavior of the employee who receives the RSU/ESOP.

2.12 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Non-current		
Others		
Compensated absences	32	38
Accrued compensation to employees	12	-
Payable for acquisition of business- Contingent consideration	-	41
Rental deposit	5	-
Total non-current other financial liabilities	**49**	**79**
Current		
Unpaid dividends	30	29
Others		
Accrued compensation to employees	2,264	2,006
Accrued expenses [(1)]	2,646	2,310
Retention monies	30	60
Payable for acquisition of business - Contingent consideration	151	75
Capital creditors	254	653
Financial liability relating to buyback [#]	-	1,202
Compensated absences	1,497	1,373
Other payables [(2)]	603	807
Foreign currency forward and options contracts	461	13
Total current other financial liabilities	**7,936**	**8,528**
Total other financial liabilities	7,985	**8,607**
Financial liability carried at amortized cost	5,827	7,067
Financial liability carried at fair value through profit or loss	592	128
Financial liability carried at fair value through other comprehensive income	20	1
Contingent consideration on undiscounted basis	152	135
[(1)] *Includes dues to subsidiaries*	2	6
[(2)] *Includes dues to subsidiaries*	47	13

[#] In accordance with Ind AS 32 Financial Instruments: Presentation, the Company has recorded a financial liability as at March 31, 2019 for the obligation to acquire its own equity shares to the extent of standing instructions provided to its registered broker for the buyback (refer to note 2.11). The financial liability is recognised at the present value of the maximum amount that the Company would be required to pay to the registered broker for buy back, with a corresponding debit in general reserve / retained earnings. The liability has been utilized towards buyback of equity shares which was completed on August 26, 2019.

2.13 TRADE PAYABLES

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Trade payables[(1)]	1,529	1,604
Total trade payables	**1,529**	**1,604**
[(1)] *Includes dues to subsidiaries*	271	220

As at March 31, 2020 and March 31, 2019, there are no outstanding dues to Micro, Small and Medium Enterprises. There is no interest due or outstanding on the same.

2.14 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Non current		
Accrued provident fund liability (refer to note 2.20.2)	185	-
Others		
Deferred income	22	29
Deferred rent (refer to note 2.3)	-	140
Total non - current other liabilities	**207**	**169**
Current		
Accrued provident fund liability (refer to note 2.20.2)	64	-
Unearned revenue	2,140	2,094
Client deposits	9	19
Others		
Withholding taxes and others	1,344	1,168
Deferred rent (refer to note 2.3)	-	54
Total current other liabilities	**3,557**	**3,335**
Total other liabilities	**3,764**	**3,504**

2.15 PROVISIONS

Accounting Policy

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

a. Post sales client support

The Company provides its clients with a fixed-period post sales support on its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time related revenues are recorded in the Statement of Profit and Loss. The Company estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

b. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of 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 recognizes any impairment loss on the assets associated with that contract.

Provision for post-sales client support and others

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Current		
Others		
Post-sales client support and others	506	505
Total provisions	**506**	**505**

The movement in the provision for post-sales client support and others is as follows : *(In ₹ crore)*

Particulars	Year ended March 31, 2020
Balance at the beginning	505
Provision recognized/(reversed)	112
Provision utilized	(159)
Exchange difference	48
Balance at the end	**506**

Provision for post sales client support and other provisions represents cost associated with providing post sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of 1 year.

2.16 INCOME TAXES

Accounting Policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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 recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized 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 utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to securities premium.

Income tax expense in the statement of profit and loss comprises: *(In ₹ crore)*

Particulars	Year ended March 31,	
	2020	**2019**
Current taxes	5,235	5,189
Deferred taxes	(301)	36
Income tax expense	**4,934**	**5,225**

During the quarter ended March 31, 2019, the Company entered into Advance Pricing Agreement (APA) in overseas jurisdictions resulting in a reversal of income tax expense of ₹94 crore which pertained to prior periods.

Additionally, income tax expense for the year ended March 31, 2020 and March 31, 2019 includes reversal (net of provisions) of ₹298 crore and ₹97 crore, respectively. These reversals pertain to prior periods on account of adjudication of certain disputed matters in favor of the company across various jurisdictions.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	**2019**
Profit before income taxes	20,477	19,927
Enacted tax rates in India	34.94%	34.94%
Computed expected tax expense	7,155	6,963
Tax effect due to non-taxable income for Indian tax purposes	(2,637)	(2,628)
Overseas taxes	700	643
Tax provision (reversals)	(298)	(144)
Effect of exempt non-operating income	(49)	(62)
Effect of non-deductible expenses	109	376
Branch profit tax (net of credits)	(35)	25
Others	(11)	52
Income tax expense	**4,934**	**5,225**

The applicable Indian corporate statutory tax rate for the year ended March 31, 2020 and March 31, 2019 is 34.94% .

The foreign tax expense is due to income taxes payable overseas, principally in the United States. In India, the Company has benefited from certain income tax incentives that the Government of India had provided for export of software from the units registered under the Special Economic Zones Act (SEZs), 2005. SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50% of such profits or gains for further five years. Up to 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone re-investment Reserve out of the profit for the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

Entire deferred income tax for the year ended March 31, 2020 and March 31, 2019, relates to origination and reversal of temporary differences.

Infosys is subject to a 15% Branch Profit Tax (BPT) in the U.S. to the extent its U.S. branch's net profit during the year is greater than the increase in the net assets of the U.S. branch during the year, computed in accordance with the Internal Revenue Code. As at March 31, 2020, Infosys' U.S. branch net assets amounted to approximately ₹5,474 crore. As at March 31, 2020, the Company has a deferred tax liability for branch profit tax of ₹178 crore (net of credits), as the Company estimates that these branch profits are expected to be distributed in the foreseeable future.

Deferred income tax liabilities have not been recognized on temporary differences amounting to ₹8,447 crore and ₹6,007 crore as at March 31, 2020 and March 31, 2019, respectively, associated with investments in subsidiaries and branches as it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets have not been recognized on accumulated losses of ₹372 crore and ₹146 crore as at March 31, 2020 and March 31, 2019, respectively as it is probable that future taxable profit will be not be available against which the unused tax losses can be utilized in the foreseeable future. Majority of the accumulated losses as at March 31, 2020 will expire in financial year 2029.

The following table provides the details of income tax assets and income tax liabilities as at March 31, 2020 and March 31, 2019:

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Income tax assets	4,773	6,293
Current income tax liabilities	1,302	1,458
Net current income tax asset/ (liability) at the end	**3,471**	**4,835**

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2020 and March 31, 2019 is as follows:

(In ₹ crore)

	As at	
	March 31, 2020	**March 31, 2019**
Net current income tax asset/ (liability) at the beginning	4,835	3,734
Income tax paid	3,881	6,271
Current income tax expense	(5,235)	(5,189)
Income tax benefit arising on exercise of stock options	9	8
Income tax on other comprehensive income	(21)	6
Tax impact on buyback expenses	4	4
Translation differences	(2)	1
Net current income tax asset/ (liability) at the end	**3,471**	**4,835**

The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2020 is as follows:

(In ₹ crore)

Particulars	Carrying value as of April 1, 2019	Changes through profit and loss	Changes through OCI	Impact on Account of Ind AS 116	Translation difference	Carrying value as of March 31, 2020
Property, plant and equipment	223	(20)	-	-	-	203
Lease liabilities	48	70	-	2	-	120
Trade receivables	164	18	-	-	-	182
Compensated absences	349	31	-	-	-	380
Post sales client support	95	6	-	-	-	101
Derivative financial instruments	(102)	245	12	-		155
Credits related to branch profits	340	13	-	-	24	377
Branch profit tax	(541)	22	-	-	(36)	(555)
Others	(3)	(84)	(3)	-	-	(90)
Total Deferred income tax assets and liabilities	**573**	**301**	**9**	**2**	**(12)**	**873**

The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2019 is as follows:

(In ₹ crore)

Particulars	Carrying value as of April 1, 2018	Changes through profit and loss	Changes through OCI	Addition on account of business combination	Translation difference	Carrying value as of March 31, 2019
Property, plant and equipment	181	43	-	-	(1)	223
Trade receivables	129	35	-	-	-	164
Compensated absences	325	24	-	-	-	349
Post sales client support	92	3	-	-	-	95
Derivative financial instruments	12	(106)	(7)	-	(1)	(102)
Credits related to branch profits	341	(22)	-	-	21	340
Branch profit tax	(505)	(3)	-	-	(33)	(541)
Others	48	(10)	4	-	3	45
Total Deferred income tax assets and liabilities	**623**	**(36)**	**(3)**	**-**	**(11)**	**573**

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
Deferred income tax assets after set off	1,429	1,114
Deferred income tax liabilities after set off	556	541

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

In assessing the reliability of deferred income tax assets, the management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The management considers the scheduled reversals of deferred income tax liabilities, 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 income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

2.17 REVENUE FROM OPERATIONS

Accounting Policy

The Company derives revenues primarily from IT services comprising software development and related services, maintenance, consulting and package implementation, and from licensing of software products and platforms across the Company's core and digital offerings (together called as "software related services"). Contracts with customers are either on a time-and-material, unit of work, fixed-price or on a fixed-timeframe basis.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Company's contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue on time-and-material and unit of work based contracts, are recognized as the related services are performed. Fixed price maintenance revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Company's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended have been used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the lives of the contracts and are recognized in profit or loss in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

The billing schedules agreed with customers include periodic performance based billing and / or milestone based progress billings. Revenues in excess of billing are classified as unbilled revenue while billing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for software development and related services and maintenance services, by applying the revenue recognition criteria for each distinct performance obligation, the arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two distinct 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 Company uses the expected cost plus margin approach in estimating the standalone selling price. 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. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

Contracts with customers includes subcontractor services or third-party vendor equipment or software in certain integrated services arrangements. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when the Company is acting as an agent between the customer and the vendor, and gross when the Company is the principal for the transaction. In doing so, the Company first evaluates whether it controls the good or service before it is transferred to the customer. The Company considers whether it has the primary obligation to fulfil the contract, inventory risk, pricing discretion and other factors to determine whether it controls the goods or service and therefore is acting as a principal or an agent.

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Company expects to recover them. Any capitalized contract costs are amortized, with the expense recognised as the Company transfers the related goods or services to the customer.

The Company presents revenues net of indirect taxes in its statement of profit and loss.

Revenue from operations for the year ended March 31, 2020 and March 31, 2019 is as follows: *(In ₹ crore)*

Particulars	**Year ended March 31,**	
	2020	**2019**
Revenue from software services	78,809	72,845
Revenue from products and platforms	238	262
Total revenue from operations	**79,047**	**73,107**

The Company has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts;(ii) onerous obligations;(iii) penalties relating to breaches of service level agreements, and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by offerings for the year ended March 31, 2020 and March 31, 2019 respectively. 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.

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Revenue by offerings		
Core	47,533	49,463
Digital	31,514	23,644
Total	**79,047**	**73,107**

Digital Services

Digital Services comprise of service and solution offerings of the company that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core Services

Core Services comprise traditional offerings of the company that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services.

Products & platforms

The Company also derives revenues from the sale of products and platforms including Infosys Nia - Artificial Intelligence (AI) platform which applies next-generation AI and machine learning.

Trade receivables and Contract Balances

The timing of revenue recognition, billings and cash collections results in Receivables, Unbilled Revenue, and Unearned Revenue on the Company's Balance Sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones.

The Company's Receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of billings from time and material contracts and fixed price maintenance contracts are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

Invoicing to the clients for other fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore Unbilled Revenues for other fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

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

During the year ended March 31, 2020 and March 31, 2019 , the company recognized revenue of ₹1,835 crore and ₹1,776 crore arising from opening unearned revenue as of April 1, 2019 and April 1, 2018 respectively.

During the year ended March 31, 2020 and March 31, 2019, ₹2,648 crore and ₹2,355 crore of unbilled revenue pertaining to other fixed price development contracts as of April 1, 2019 and April 1, 2018, respectively has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Remaining performance obligation disclosure

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at 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 invoicing is on time and material and unit of work based contracts. 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 at March 31, 2020, other than those meeting the exclusion criteria mentioned above, is ₹48,958 crore. Out of this, the Company expects to recognize revenue of around 52% within the next one year and the remaining thereafter. The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019 is ₹44,904 crore. The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them. Generally, customers have not terminated contracts without cause.

2.18 OTHER INCOME, NET

2.18.1 Other income - Accounting Policy

Other income is comprised primarily of interest income, dividend income, gain / loss on investments and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

2.18.2 Foreign currency - Accounting Policy

Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are recognized in the Statement of Profit and Loss and reported within exchange gains/(losses) on translation of assets and liabilities, net, except when deferred in Other Comprehensive Income as qualifying cash flow hedges. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Other Comprehensive Income, net of taxes includes translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as financial instruments and measured at fair value through other comprehensive income (FVOCI).

Effective April 1, 2018, the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

Other income for the year ended March 31, 2020 and March 31, 2019 is as follows: *(In ₹ crore)*

Particulars	**Year ended March 31,**	
	2020	**2019**
Interest income on financial assets carried at amortized cost		
Tax free bonds and government bonds	138	137
Deposit with Bank and others	1,080	1,276
Interest income on financial assets fair valued through other comprehensive income		
Non-convertible debentures, commercial paper, certificates of deposit and government securities	282	581
Income on investments carried at fair value through other comprehensive income	41	-
Income on investments carried at fair value through profit or loss		
Dividend income on liquid mutual funds	2	2
Gain / (loss) on liquid mutual funds and other investments	188	175
Interest income on income tax refund	250	50
Exchange gains/(losses) on foreign currency forward and options contracts	(528)	184
Exchange gains/(losses) on translation of assets and liabilities	1,056	144
Miscellaneous income, net	191	303
Total other income	**2,700**	**2,852**

2.19 EXPENSES

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	**2019**
Employee benefit expenses		
Salaries including bonus	41,159	37,185
Contribution to provident and other funds	938	797
Share based payments to employees (Refer note no. 2.11)	226	182
Staff welfare	111	132
	42,434	**38,296**
Cost of software packages and others		
For own use	814	793
Third party items bought for service delivery to clients	842	853
	1,656	**1,646**
Other expenses		
Power and fuel	176	171
Brand and Marketing	441	406
Short-term leases (refer to note 2.3)	37	-
Operating leases	-	339
Rates and taxes	143	110
Repairs and Maintenance	1,198	1,051
Consumables	32	33
Insurance	72	55
Provision for post-sales client support and others	3	(6)
Commission to non-whole time directors	8	7
Impairment loss recognized / (reversed) under expected credit loss model	137	184
Auditor's remuneration		
Statutory audit fees	7	4
Tax matters	-	1
Other services	2	-
Contributions towards Corporate Social Responsibility	360	245
Others	171	170
	2,787	**2,770**

2.20 EMPLOYEE BENEFITS
Accounting Policy

2.20.1 Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). Trustees administer contributions made to the Trusts and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by Indian law.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in the Statement of Profit and Loss.

2.20.2 Provident fund

Eligible employees of Infosys receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Infosys Limited Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

2.20.3 Superannuation

Certain employees of Infosys are participants in a defined contribution plan. The Company has no further obligations to the Plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

2.20.4 Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

a. Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as at March 31, 2020 and March 31, 2019:

(In ₹ crore)

Particulars	As at March 31,	
	2020	**2019**
Change in benefit obligations		
Benefit obligations at the beginning	1,158	1,028
Service cost	155	135
Interest expense	78	73
Transfer of obligation	1	1
Remeasurements - Actuarial (gains)/ losses	(78)	31
Benefits paid	(119)	(110)
Benefit obligations at the end	**1,195**	**1,158**
Change in plan assets		
Fair value of plan assets at the beginning	1,183	1051
Interest income	84	78
Transfer of assets	1	2
Remeasurements- Return on plan assets excluding amounts included in interest income	8	4
Contributions	180	158
Benefits paid	(118)	(110)
Fair value of plan assets at the end	**1,338**	**1,183**
Funded status	143	25

The amount for the year ended March 31, 2020 and March 31, 2019 recognized in the Statement of Profit and Loss under employee benefit expense are as

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	**2019**
Service cost	155	135
Net interest on the net defined benefit	(6)	(5)
Curtailment gain	-	-
Net gratuity cost	**149**	**130**

The amounts for the year ended March 31, 2020 and March 31, 2019 recognized in statement of other comprehensive income are as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	**2019**
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial (gains) / losses	(78)	31
(Return) / loss on plan assets excluding amounts included in the net interest	(8)	(4)
	(86)	**27**

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	**2019**
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	(61)	26
(Gain)/loss from change in experience assumptions	(17)	5
	(78)	**31**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2020 and March 31, 2019 are set out below:

Particulars	Year ended March 31,	
	2020	**2019**
Discount rate [(1)]	6.2%	7.1%
Weighted average rate of increase in compensation levels[(2)]	6.0%	8.0%
Weighted average duration of defined benefit obligation [(3)]	5.9 years	5.9 years

The weighted-average assumptions used to determine net periodic benefit cost for the year ended March 31, 2020 and March 31, 2019 are set out below:

Particulars	Year ended March 31,	
	2020	**2019**
Discount rate	7.1%	7.5%
Weighted average rate of increase in compensation levels	8.0%	8.0%

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

[(1)] In India, the market for high quality corporate bonds being not developed, the yield of government bonds is considered as the discount rate. The tenure has been considered taking into account the past long-term trend of employees' average remaining service life which reflects the average estimated term of the post-employment benefit obligations.

[(2)] The average rate of increase in compensation levels is determined by the Company, considering factors such as, the Company's past compensation revision trends and management's estimate of future salary increases.

[(3)] Attrition rate considered is the management's estimate based on the past long-term trend of employee turnover in the Company.

Sensitivity of significant assumptions used for valuation of defined benefit obligations

(₹ in crore)

Impact from percentage point increase / decrease in	As at March 31, 2020
Discount Rate	67
Weighted average rate of increase in compensation level	59

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is not probable, and changes in some of the assumptions may be correlated.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit gratuity plans.

The Company contributes all ascertained liabilities towards gratuity to the Infosys Limited Employees' Gratuity Fund Trust. Trustees administer contributions Actual return on assets for each of the year ended March 31, 2020 and March 31, 2019 was ₹92 crore and ₹82 crore respectively.

The Company expects to contribute ₹100 crore to the gratuity trusts during the fiscal 2021.

Maturity profile of defined benefit obligation:

(In ₹ crore)

Within 1 year	171
1-2 year	178
2-3 year	184
3-4 year	196
4-5 year	114
5-10 years	1,059

b. Superannuation

The Company contributed ₹223 crore and ₹199 crore to the Superannuation trust during the year ended March 31, 2020 and March 31, 2019 respectively and the same has been recognized in the Statement of Profit and Loss account under the head employee benefit expense.

c. Provident fund

Infosys has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided there is no shortfall as at March 31, 2019.

The details of the benefit obligation as at March 31, 2019 is as follows:

(In ₹ crore)

Particulars	As at March 31, 2019
Benefit obligation at the period end	5,989
Net liability recognized in balance sheet	-

The following tables set out the funded status of the defined benefit provident fund plan of Infosys limited and the amounts recognized in the Company's financial statements as at March 31, 2020

(In ₹ crore)

Particulars	As at March 31, 2020
Change in benefit obligations	
Benefit obligations at the beginning	5,989
Service cost - employer contribution	407
Employee contribution	857
Interest expense	561
Actuarial (gains) / loss	216
Benefits paid	(664)
Benefit obligations at the end	**7,366**
Change in plan assets	
Fair value of plan assets at the beginning	5,989
Interest income	561
Remeasurements- Return on plan assets excluding amounts included in interest income [(1)]	(33)
Contributions (employer and employee)	1,264
Benefits paid	(664)
Fair value of plan assets at the end	**7,117**
Net liability (refer to note 2.14)	(249)

[(1)] *Includes unrealized losses on certain investments in bonds*

Amount for the year ended March 31, 2020 recognized in the statement of other comprehensive income:

(In ₹ crore)

Particulars	Year ended March 31, 2020
Remeasurements of the net defined benefit liability/ (asset)	
Actuarial (gains) / losses	216
(Return) / loss on plan assets excluding amounts included in	33
	249

Assumptions used in determining the present value obligation of the defined benefit plan under the Deterministic Approach:

Particulars	As at	
	March 31, 2020	March 31, 2019
Government of India (GOI) bond yield [(1)]	6.20%	7.10%
Expected rate of return on plan assets	8.00%	9.20%
Remaining term to maturity of portfolio	6 years	5.47 years
Expected guaranteed interest rate		
First year	8.50%	8.65%
Thereafter	8.50%	8.60%

[(1)] In India, the market for high quality corporate bonds being not developed, the yield of government bonds is considered as the discount rate. The tenure has been considered taking into account the past long-term trend of employees' average remaining service life which reflects the average estimated term of the post-employment benefit obligations.

The breakup of the plan assets into various categories as at March 31, 2020 is as follows:

Particulars	As at
	March 31, 2020
Central and State government bonds	49%
Public sector undertakings and Private sector bonds	48%
Others	3%

The asset allocation for plan assets is determined based on investment criteria prescribed under the relevant regulations.

As at March 31, 2020 the defined benefit obligation would be affected by approximately ₹72 crore and ₹108 crore on account of a 0.25% increase / decrease in the expected rate of return on plan assets.

The Company contributed ₹541 crore and ₹451 crore to the provident fund during the year ended March 31, 2020 and March 31, 2019, respectively. The same has been recognized in the net profit in the statement of profit and loss under the head employee benefit expense.

In February 2019, the Hon'ble Supreme Court of India vide its judgment and subsequent review petition of August 2019 has ruled in respect of compensation for the purpose of Provident Fund contribution under the Employee's Provident Fund Act. The Company has assessed possible outcomes of the judgment on determination of provident fund contributions and based on the Company's current evaluation of the judgement, it is not probable that certain allowances paid by the Company will be subject to payment of Provident Fund. The Company will continue to monitor and evaluate its position based on future events and developments.

The provident plans are applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit plans.

Employee benefits cost include:

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Salaries and bonus[(1)]	41,521	37,516
Defined contribution plans	223	199
Defined benefit plans	690	581
	42,434	**38,296**

[(1)] *Includes employee stock compensation expense of ₹226 crore and ₹182 crore for the year ended March 31, 2020 and March 31, 2019, respectively (Refer note 2.11).*

2.21 RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNING PER SHARE

Accounting Policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	Year ended March 31,	
	2020	**2019**
Basic earnings per equity share - weighted average number of equity shares outstanding	4,27,70,30,249	4,36,82,12,119
Effect of dilutive common equivalent shares - share options outstanding	27,78,577	22,00,229
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	**4,27,98,08,826**	**4,37,04,12,348**

** Information in above table is adjusted for September 2018 Bonus issue.(refer note no.2.11)*

For the year ended March 31, 2020 and March 31, 2019 no number of options to purchase equity shares had an anti-dilutive effect.

2.22 CONTINGENT LIABILITIES AND COMMITMENTS

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Contingent liabilities :		
Claims against the Company, not acknowledged as debts[(1)]	3,410	2,947
[Amount paid to statutory authorities ₹5,229 crore (₹5,861 crore)]		
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)[(2)]	1,305	1,653
Other Commitments*	15	17

**Uncalled capital pertaining to investments*

[(1)] As at March 31, 2020, claims against the Company not acknowledged as debts in respect of income tax matters amounted to ₹3,274 crore. The claims against the Company majorly represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as disallowance of profits earned from STP Units and SEZ Units, disallowance of deductions in respect of employment of new employees under section 80JJAA, disallowance of expenditure towards software being held as capital in nature, payments made to Associated Enterprises held as liable for withholding of taxes. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial position and results of operations.

Amount paid to statutory authorities against the above tax claims amounted to ₹5,228 crore.

[(2)] Capital contracts primarily comprises of commitments for infrastructure facilities and computer equipment's.

The Audit Committee appointed an external legal counsel to conduct an independent investigation into the whistleblower allegations which have been previously disclosed to stock exchanges on October 22, 2019 and to the Securities and Exchange Commission (SEC) on Form 6-K on the same date. As previously disclosed on January 10, 2020 the outcome of the investigation has not resulted in restatement of previously issued financial statements.

The Company cooperated with an investigation by the SEC regarding the same matters. In March 2020, the Company received notification from the SEC that the SEC has concluded its investigation and the Company does not anticipate any further action by the SEC on this matter. The Company is responding to all the inquires received from the Indian regulatory authorities and will continue to cooperate with the authorities for any additional requests for information. Additionally, in October 2019, a shareholder class action lawsuit was filed in the United States District Court for the Eastern District of New York against the Company and certain of its current and former officers for alleged violations of the US federal securities laws. The Company is presently unable to predict the scope, duration or the outcome of these matters.

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Company's results of operations or financial condition.

2.23 RELATED PARTY TRANSACTIONS

List of related parties:

Name of subsidiaries	Country	Holdings as at	
		March 31, 2020	March 31, 2019
Infosys Technologies (China) Co. Limited (Infosys China)	China	100%	100%
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	Mexico	100%	100%
Infosys Technologies (Sweden) AB. (Infosys Sweden)	Sweden	100%	100%
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)	China	100%	100%
Infosys Tecnologia DO Brasil LTDA. (Infosys Brasil)[25]	Brazil	-	100%
Infosys Nova Holdings LLC. (Infosys Nova)	U.S.	100%	100%
EdgeVerve Systems Limited (EdgeVerve)	India	100%	100%
Infosys Austria GmbH[1] (formerly Lodestone Management Consultants GmbH)	Austria	100%	100%
Skava Systems Pvt. Ltd. (Skava Systems)	India	100%	100%
Kallidus Inc, (Kallidus)	U.S.	100%	100%
Infosys Chile SpA	Chile	100%	100%
Infosys Arabia Limited[2]	Saudi Arabia	70%	70%
Infosys Consulting Ltda.[2]	Brazil	100%	99.99%
Infosys CIS LLC[1] [18] [26]	Russia	-	-
Infosys Luxembourg S.a.r.l [1] [13]	Luxembourg	100%	100%
Infosys Americas Inc., (Infosys Americas)	U.S.	100%	100%
Infosys Technologies (Australia) Pty. Limited (Infosys Australia)[3]	Australia	-	100%
Infosys Public Services, Inc. USA (Infosys Public Services)	U.S.	100%	100%
Infosys Canada Public Services Inc[19]	Canada	-	-
Infosys BPM Limited	India	99.99%	99.98%
Infosys (Czech Republic) Limited s.r.o.[4]	Czech Republic	99.99%	99.98%
Infosys Poland, Sp z.o.o[4]	Poland	99.99%	99.98%
Infosys McCamish Systems LLC [4]	U.S.	99.99%	99.98%
Portland Group Pty Ltd[4]	Australia	99.99%	99.98%
Infosys BPO Americas LLC.[4]	U.S.	99.99%	99.98%
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland	100%	100%
Lodestone Management Consultants Inc.[5] [11]	U.S.	-	-
Infosys Management Consulting Pty Limited[5]	Australia	100%	100%
Infosys Consulting AG[5]	Switzerland	100%	100%
Infosys Consulting GmbH[5]	Germany	100%	100%
Infosys Consulting S.R.L.[1]	Romania	100%	100%
Infosys Consulting SAS[5]	France	100%	100%
Infosys Consulting s.r.o.[5]	Czech Republic	100%	100%
Infosys Consulting (Shanghai) Co., Ltd.(formerly Lodestone Management Consultants Co., Ltd)[5]	China	100%	100%
Infy Consulting Company Ltd[5]	U.K.	100%	100%
Infy Consulting B.V.[5]	The Netherlands	100%	100%
Infosys Consulting Sp. z.o.o[32]	Poland	99.99%	100%
Lodestone Management Consultants Portugal, Unipessoal, Lda.[5]	Portugal	100%	100%
Infosys Consulting S.R.L.[5]	Argentina	100%	100%
Infosys Consulting (Belgium) NV (formerly Lodestone Management Consultants (Belgium) S.A.)[6]	Belgium	99.90%	99.90%
Panaya Inc. (Panaya)	U.S.	100%	100%
Panaya Ltd.[7]	Israel	100%	100%
Panaya GmbH[7]	Germany	100%	100%
Panaya Japan Co. Ltd[7] [31]	Japan	-	100%
Brilliant Basics Holdings Limited (Brilliant Basics)	U.K.	100%	100%
Brilliant Basics Limited[8]	U.K.	100%	100%
Brilliant Basics (MENA) DMCC[8] [26]	Dubai	100%	100%
Infosys Consulting Pte Limited (Infosys Singapore)[1]	Singapore	100%	100%
Infosys Middle East FZ LLC[9]	Dubai	100%	100%
Fluido Oy[9] [14]	Finland	100%	100%
Fluido Sweden AB (Extero)[15]	Sweden	100%	100%
Fluido Norway A/S[15]	Norway	100%	100%
Fluido Denmark A/S[15]	Denmark	100%	100%
Fluido Slovakia s.r.o[15]	Slovakia	100%	100%
Fluido Newco AB[15]	Sweden	100%	100%
Infosys Compaz Pte. Ltd (formerly Trusted Source Pte. Ltd)[16]	Singapore	60%	60%
Infosys South Africa (Pty) Ltd[9] [17]	South Africa	-	-
WongDoody Holding Company Inc. (WongDoody)[10]	U.S.	100%	100%
WDW Communications, Inc[12]	U.S.	100%	100%
WongDoody, Inc[12]	U.S.	100%	100%
HIPUS[20]	Japan	81%	-
Stater N.V.[21]	The Netherlands	75%	-
Stater Nederland B.V.[22]	The Netherlands	75%	-
Stater Duitsland B.V.[22]	The Netherlands	75%	-
Stater XXL B.V.[22]	The Netherlands	75%	-
HypoCasso B.V.[22]	The Netherlands	75%	-
Stater Participations B.V.[22]	The Netherlands	75%	-
Stater Deutschland Verwaltungs-GmbH[23]	Germany	75%	-
Stater Deutschland GmbH & Co. KG[23]	Germany	75%	-
Stater Belgium N.V./S.A.[24]	Belgium	53.99%	-
Outbox systems Inc. dba Simplus (US)[27]	U.S.	100%	-
Simplus North America Inc.[28]	Canada	100%	-
Simplus ANZ Pty Ltd.[28]	Australia	100%	-
Simplus Australia Pty Ltd[30]	Australia	100%	-
Sqware Peg Digital Pty Ltd[30]	Australia	100%	-
Simplus Philippines, Inc.[28]	Philippines	100%	-
Simplus Europe, Ltd.[28]	U.K.	100%	-
Simplus U.K., Ltd.[29]	U.K.	100%	-
Simplus Ireland, Ltd.[29]	Ireland	100%	-

[(1)] *Wholly-owned subsidiary of Infosys Limited*
[(2)] *Majority owned and controlled subsidiary of Infosys Limited*
[(3)] *Liquidated effective November 17, 2019*
[(4)] *Wholly-owned subsidiary of Infosys BPM*
[(5)] *Wholly-owned subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*
[(6)] *Majority owned and controlled subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*
[(7)] *Wholly-owned subsidiary of Panaya Inc*
[(8)] *Wholly-owned subsidiary of Brilliant Basics Holding Limited.*
[(9)] *Wholly-owned subsidiary of Infosys Consulting Pte Ltd*
[(10)] *On May 22, 2018, Infosys acquired 100% of the voting interest in WongDoody*
[(11)] *Liquidated effective May 4, 2018*
[(12)] *Wholly-owned subsidiary of WongDoody*
[(13)] *Incorporated effective August 6, 2018*
[(14)] *On October 11, 2018, Infosys Consulting Pte. Ltd, acquired 100% of the voting interests in Fluido Oy and its subsidiaries*
[(15)] *Wholly-owned subsidiary of Fluido Oy*
[(16)] *On November 16, 2018 , Infosys Consulting Pte. Ltd, acquired 60% of the voting interest in Infosys Compaz Pte. Ltd*
[(17)] *Incorporated effective December 19, 2018*
[(18)] *Incorporated effective November 29, 2018*
[(19)] *Incorporated effective November 27, 2018, wholly owned subsidiary of Infosys Public Services Inc*
[(20)] *On April 1, 2019, Infosys Consulting Pte. Ltd, acquired 81% of the voting interests in HIPUS Co. Ltd, Japan*
[(21)] *On May 23, 2019, Infosys Consulting Pte. Ltd, acquired 75% of the voting interests in Stater N.V*
[(22)] *Majority owned and controlled subsidiary of Stater N.V*
[(23)] *Majority owned and controlled subsidiary of Stater Duitsland B.V.*
[(24)] *Majority owned and controlled subsidiary of Stater Participations B.V.*
[(25)] *Effective October 1, 2019, merged into Infosys Consulting Ltda, a majority owned and controlled subsidiary of Infosys Ltd.*
[(26)] *Under Liquidation*
[(27)] *On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.*
[(28)] *Wholly-owned subsidiary of Outbox Systems Inc.*
[(29)] *Wholly-owned subsidiary of Simplus Europe, Ltd.*
[(30)] *Wholly-owned subsidiary of Simplus ANZ Pty Ltd..*
[(31)] *Liquidated effective October 31, 2019*

[(32)] *On February 20, 2020, Infosys Poland, Sp z.o.o, acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG (formerly Lodestone Holding AG).*

Infosys has provided guarantee for performance of certain contracts entered into by its subsidiaries.

List of other related party

Particulars	Country	Nature of relationship
Infosys Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Provident Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Employees Welfare Trust	India	Controlled trust
Infosys Employee Benefits Trust	India	Controlled trust
Infosys Science Foundation	India	Controlled trust
Infosys Expanded Stock Ownership Trust *	India	Controlled trust

**Registered on May 15, 2019*

The Company's material related party transactions during the year ended March 31, 2020 and March 31, 2019 and outstanding balances as at March 31, 2020 and March 31, 2019 are with its subsidiaries with whom the Company generally enters into transactions which are at arms length and in the ordinary course of business.

Refer note no. 2.20 for information on transactions with post-employment benefit plans mentioned above.

List of key management personnel
Whole-time directors
Salil Parekh , Chief Executive Officer and Managing Director
U. B. Pravin Rao, Chief Operating officer

Non-whole-time directors
Nandan M. Nilekani
Micheal Gibbs (appointed as Independent director effective July 13, 2018)
Ravi Venkatesan (resigned as member of the Board effective May 11, 2018)
Kiran Mazumdar-Shaw
Roopa Kudva (retired as member of the Board effective February 3, 2020)
Dr. Punita Kumar-Sinha
D. N. Prahlad
D. Sundaram

Executive Officers
Nilanjan Roy (appointed as Chief Financial Officer effective March 1, 2019)
Jayesh Sanghrajka (appointed as Interim-Chief Financial Officer effective November 17, 2018. He resumed his responsibilities as Deputy Chief Financial Officer effective March 1, 2019)
M.D. Ranganath (resigned as Chief Financial Officer effective November 16, 2018)
Mohit Joshi, President
Ravi Kumar S, President and Deputy Chief Operating Officer
Krishnamurthy Shankar, Group Head - Human Resources
Inderpreet Sawhney, Group General Counsel and Chief Compliance Officer

Company Secretary
A. G. S. Manikantha

The details of amounts due to or due from related parties as at March 31, 2020 and March 31, 2019 are as follows:

(In ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Investment in debentures		
EdgeVerve[1]	1,159	1,445
	1,159	**1,445**
Trade receivables		
EdgeVerve	16	3
Brilliant Basics Limited	1	-
Infosys China	24	23
Infosys Mexico	7	3
Infosys Brasil	-	1
Infosys BPM	10	10
Infy Consulting Company Ltd.	6	13
Infosys Public Services	69	57
Infosys Shanghai	5	6
Infosys Sweden	4	-
Infosys Consulting Ltda.	6	-
Infosys McCamish Systems LLC	104	89
Panaya Ltd	129	115
Infosys Compaz Pte. Ltd	27	5
	408	**325**
Loans		
Infosys China [2]	94	82
Infosys Consulting Holding AG[3]	-	89
Brilliant Basics Holdings Limited [4]	-	7
Infosys Consulting Pte Ltd [5]	277	663
Infosys Consulting S.R.L.[6]	9	-
	380	**841**
Prepaid expense and other assets		
Panaya Ltd.	168	109
	168	**109**
Other financial assets		
Infosys BPM	8	10
Panaya Ltd.	3	3
Infosys Austria GmbH	3	-
Infosys Consulting GmbH	1	2
Infosys China	8	2
Infosys Shanghai	1	1
Infy Consulting Company Ltd.	3	3
Infosys Management Consulting Pty Limited	1	-
Infosys Consulting AG	1	1
Infosys Public Services	1	3
Infosys Consulting Pte Ltd.	-	-
Kallidus	2	2
Infosys Consulting Ltda.	3	1
Skava Systems Pvt. Ltd.	1	1
Lodestone Management Consultants Co., Ltd	-	-
Infy Consulting B.V.	1	-
Infosys Brasil	-	1
Edgeverve	-	-
Brilliant Basics Limited	2	1
Infosys Mexico	2	1
McCamish Systems LLC	1	1
Infosys Poland sp. z o o	1	-
Stater NV	21	-
Fluido Denmark A/S	1	-
Infosys Compaz Pte. Ltd	-	1
	65	**34**
Unbilled revenues		
EdgeVerve	45	40
Kallidus	8	11
Stater Nederland B.V.	31	-
	84	**51**
Trade payables		
Infosys China	6	8
Infosys BPM	60	50
Infosys (Czech Republic) Limited s.r.o.	10	6
Infosys Mexico	4	6
Infosys Sweden	3	3
Infosys Shanghai	5	6
Infosys Management Consulting Pty Limited	8	9
Infosys Consulting Pte Ltd.	3	4
Infy Consulting Company Ltd.	93	87
Infosys Brasil	-	2
Infosys consulting Ltda	5	-
Brilliant Basics Limited	8	7
Panaya Ltd.	12	4
Infosys Public Services	3	4
Kallidus	5	2
Portland Group Pty Ltd	2	1
Infosys Chile SpA	3	1
Infosys Compaz Pte. Ltd (formerly Trusted Source Pte. Ltd)	1	-
Infosys Middle East FZ-LLC	12	12
Infosys Poland Sp Z.o.o	3	1
Infosys Consulting S.R.L.	10	-
Skava Systems Pvt. Ltd.	1	-
McCamish Systems LLC	1	1
WDW Communications, Inc.	13	6
	271	**220**

Other financial liabilities		
Infosys BPM	4	4
Brilliant Basics Limited	1	-
Fluido Oy	9	-
Fluido Sweden AB	2	-
Infosys Mexico	1	2
Infosys Public Services	-	-
Infosys Consulting Ltda.	1	-
Infosys Compaz Pte. Ltd	1	-
Infosys China	2	1
Kallidus Inc.	3	-
Infosys Consulting GmbH	-	5
Stater Nederland B.V.	20	-
Infosys Middle East FZ-LLC	3	-
Infosys Consulting AG	-	1
	47	**13**
Accrued expenses		
Infosys BPM	2	6
	2	**6**

(1) At an interest rate of 8.35% per annum.

(2) Interest at the rate of 6% per annum repayable on demand

(3) Interest at the rate of 2.5% per annum repayable on demand

(4) Interest at the rate of 3.5% per annum repayable on demand

(5) Interest at the rate of 3% per annum repayable on demand.

(6) Interest at the rate of 4% per annum repayable on demand.

Particulars	**Maximum amount outstanding during the**	
	Year ended March 31, 2020	**Year ended March 31, 2019**
Loans and advances in the nature of loans given to Subsidiaries:		
Infosys China	94	86
Brilliant Basics	8	8
Infosys Consulting Pte Ltd	1,906	678
Infosys Consulting Holding AG	86	114
Infosys Consulting S.R.L Argentina	8	-
Infosys Consulting S.R.L. Romania	9	-

The details of the related parties transactions entered into by the Company for the year ended March 31, 2020 and March 31, 2019 are as follows:

(In ₹ crore)

Particulars	**Year ended March 31,**	
	2020	**2019**
Capital transactions:		
Financing transactions		
Equity		
Infosys Consulting Brazil	140	43
Wongdoody Holding Company Inc	9	261
Infosys Chile SpA	-	7
Infosys BPM	1	-
Infosys Nova Holdings LLC	1,335	-
Brilliant Basics Holding Limited	-	13
Infosys Luxembourg S.a r.l.	-	4
Infosys Australia (1)	-	(33)
Infosys Brazil	-	127
S.C. Infosys Consulting S.R.L	-	34
Preference shares		
Infosys Consulting Pte Ltd.(2)	1,318	-
	2,803	**456**
Debentures (net of repayment)		
Edgeverve	(286)	(335)
	(286)	**(335)**
Loans (net of repayment)		
Infosys Consulting Holding AG	(92)	(20)
Brilliant Basics Holdings Limited	(7)	-
Infosys Consulting Pte Ltd.(2)	(496)	678
Infosys Consulting S.R.L.	8	-
	(587)	**658**
Revenue transactions:		
Purchase of services		
Infosys China	76	85
Infosys Management Consulting Pty Limited	108	94
Infy Consulting Company Limited	1,030	857
Infosys Consulting Pte Ltd.	34	40
Portland Group Pty Ltd	22	16
Infosys (Czech Republic) Limited s.r.o.	98	56
Infosys BPM	733	655
Infosys Sweden	48	52
Infosys Shanghai	74	74
Infosys Mexico	67	71
Infosys Public Services	35	39
Panaya Ltd.	102	94
Infosys Brasil	10	13
Infosys Poland Sp Z.o.o	30	29
Infosys Consulting S.R.L.	22	-
Infosys Compaz Pte. Ltd (formerly Trusted Source Pte. Ltd)	6	-
Infosys Consulting Ltda.	14	-
Kallidus	26	51
Brilliant Basics Limited	95	74
Brilliant Basics (MENA)	-	3
Infosys Chile SpA	14	5
Infosys Middle East FZ-LLC	83	95
Fluido Oy	12	-
Fluido Sweden AB (Extero)	18	-
McCamish Systems LLC	6	7
WDW Communications, Inc.	61	11
WongDoody, Inc.	-	2
	2,824	**2,423**

Purchase of shared services including facilities and personnel		
Brilliant Basics Limited	5	7
Infosys BPM	3	3
Fluido Oy	1	-
WDW Communications, Inc.	12	1
	21	**11**
Interest income		
Infosys China	6	5
Infosys Consulting Holding AG	1	2
Infosys Consulting Pte Ltd.	39	6
EdgeVerve	107	141
	153	**154**
Guarantee income		
Infosys Consulting Pte Ltd.	1	-
	1	-
Sale of services		
Infosys China	23	31
Infosys Mexico	34	20
Infy Consulting Company Limited	44	54
Infosys Brasil	3	6
Infosys BPM	121	101
McCamish Systems LLC	320	238
Infosys Sweden	11	3
Infosys Shanghai	5	8
EdgeVerve	597	469
Infosys Public Services	749	766
Infosys Compaz Pte Ltd	64	13
Infosys Consulting Ltda.	5	-
Infosys Austria GmbH	2	-
Fluido Denmark A/S	1	-
Stater Nederland B.V.	45	-
	2,024	**1,709**
Sale of shared services including facilities and personnel		
EdgeVerve	33	36
Panaya Ltd.	9	45
HIPUS	1	-
Infosys BPM	25	27
	68	**108**

(1) Represents redemption of investment

(2) Includes redemption by way of issuing Redeemable preference shares

Transactions with key management personnel

The related party transactions with above KMP which comprise directors and executive officers are as follows :

(In ₹ crore)

Particulars	**Year ended March 31,**	
	2020	**2019**
Salaries and other employee benefits to whole-time directors and executive officers [(1)(2)(3)]	118	96
Commission and other benefits to non-executive/independent directors	8	7
Total	**126**	**103**

(1) Total employee stock compensation expense for the year ended March 31, 2020 and March 31, 2019 includes a charge of ₹56 crore and ₹33 crore, towards key managerial personnel respectively. (Refer note no. 2.11)

(2) On December 20, 2018, the Board appointed Nilanjan Roy as the Chief Financial Officer of the Company with effect from March 1, 2019.

(3) Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.

2.24 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

a) Gross amount required to be spent by the company during the year is ₹360 crore.

b) Amount spent during the year on:

in ₹ crore

Particulars	**In Cash**	**Yet to be paid in Cash**	**Total**
1. Construction / acquisition of any asset	-	-	-
2. On purposes other than (1) above	357	3	360

2.25 SEGMENT REPORTING

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

2.26 FUNCTION-WISE CLASSIFICATION OF STATEMENT OF PROFIT AND LOSS

Particulars	Note No.	Year ended March 31,	
		2020	2019
Revenue from operations	2.17	79,047	73,107
Cost of sales		52,816	47,412
Gross Profit		**26,231**	**25,695**
Operating expenses			
Selling and marketing expenses		3,814	3,661
General and administration expenses		4,526	4,225
Total operating expenses		8,340	7,886
Operating profit		**17,891**	**17,809**
Reduction in the fair value of assets held for sale	2.4.7	-	265
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.4.7	-	469
Interest expense		114	-
Other income, net	2.18	2,700	2,852
Profit before tax		**20,477**	**19,927**
Tax expense:			
Current tax	2.16	5,235	5,189
Deferred tax	2.16	(301)	36
Profit for the year		**15,543**	**14,702**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset, net		(184)	(21)
Equity instruments through other comprehensive income, net		(31)	78
Items that will be reclassified subsequently to profit or loss			
Fair value changes on derivatives designated as cash flow hedge, net		(36)	21
Fair value changes on investments, net	2.4	17	1
Total other comprehensive income/(loss), net of tax		**(234)**	**79**
Total comprehensive income for the year		**15,309**	**14,781**

for and on behalf of the Board of Directors of Infosys Limited

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

U.B. Pravin Rao
Chief Operating Officer and Whole-time Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
April 20, 2020

Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th- 32nd Floor
Senapathi Bapat Marg
Elphinstone Road (West)
Mumbai – 400 013
Maharashtra, India

Tel: +91 22 6185 4000
Fax: +91 22 6185 4001

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

Report on the Audit of the Interim Consolidated Financial Statements

Opinion

We have audited the accompanying interim consolidated financial statements of **INFOSYS LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) for the three months and year ended on that date, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "interim consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim consolidated financial statements give a true and fair view in conformity with Indian Accounting Standard 34 Interim Financial Reporting ("Ind AS 34") prescribed under section 133 of the Companies Act, 2013 (the "Act') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit and consolidated total comprehensive income for the three months and year ended on that date, consolidated changes in equity and the consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Interim Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the interim consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Interim Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the interim consolidated financial statements of the current period. These matters were addressed in the context of our audit of the interim consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	***Fixed price contracts using the percentage of completion method*** Fixed price maintenance revenue is recognized either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or using percentage of completion method when the pattern of benefits from services rendered to the customer and Group's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time has been recognized using the percentage-of-completion method. Use of the percentage-of-completion method requires the Group to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. We identified the estimate of total efforts or efforts to complete fixed price contracts measured using the percentage of completion method as a key audit matter as the estimation of efforts or costs involves significant judgement throughout the period of the contract and is subject to revision as the contract progresses based on the latest available information. This estimate has a high inherent uncertainty and requires consideration of progress of the contract, efforts or costs incurred to-date and estimates of efforts or costs required to complete the remaining contract performance obligations over the lives of the contracts. Refer Notes 1.5(a) and 2.16 to the consolidated financial statements.	***Principal Audit Procedures*** Our audit procedures related to estimates of total expected costs or efforts to complete for fixed-price contracts included the following, among others: We tested the effectiveness of controls relating to (1) recording of efforts or costs incurred and estimation of efforts or costs required to complete the remaining contract performance obligations and (2) access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of efforts incurred. We selected a sample of fixed price contracts with customers accounted using percentage-of-completion method and performed the following: • Compared efforts or costs incurred with Group's estimate of efforts or costs incurred to date to identify significant variations and evaluate whether those variations have been considered appropriately in estimating the remaining costs or efforts to complete the contract. • Tested the estimate for consistency with the status of delivery of milestones and customer acceptances and sign off from customers to identify possible delays in achieving milestones, which require changes in estimated costs or efforts to complete the remaining performance obligations.

Sr. No.	Key Audit Matter	Auditor's Response
2	***Allowance for credit losses*** The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. We identified allowance for credit losses as a key audit matter because the Group exercises significant judgment in calculating the expected credit losses. Refer Notes 1.5(h), 2.7 and 2.10 to the consolidated financial statements.	***Principal Audit Procedures*** Our audit procedures related to the allowance for credit losses for trade receivables and unbilled revenue included the following, among others: We tested the effectiveness of controls over the (1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions (2) completeness and accuracy of information used in the estimation of probability of default and (3) computation of the allowance for credit losses. For a sample of customers: We tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information. We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Group.

Emphasis of Matter

As more fully described in Note 2.22 to the interim consolidated financial statements, the Company is responding to inquiries from Indian regulatory authorities. The scope, duration or outcome of these matters are uncertain.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Interim Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these interim consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS 34 and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 respective financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the interim consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the interim consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Interim Consolidated Financial Statements

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

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 interim consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the interim consolidated financial statements, including the disclosures, and whether the interim consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the interim consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the interim consolidated financial statements of which we are independent auditors.

Materiality is the magnitude of misstatements in the interim consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the interim consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the interim consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte
Haskins & Sells LLP

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the interim consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Sanjiv V. Pilgaonkar
Partner
(Membership No: 039826)
UDIN:

Place: Mumbai
Date: April 20, 2020

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Financial Statements under Indian Accounting Standards (Ind AS) for the three months and year ended March 31, 2020

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INFOSYS LIMITED AND SUBSIDIARIES

(In ₹ crore)

Consolidated Balance Sheets as at	Note No.	March 31, 2020	March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2.2	12,435	11,479
Right-of-use assets	2.19	4,168	-
Capital work-in-progress		954	1,388
Goodwill	2.3.1 and 2.1	5,286	3,540
Other intangible assets	2.3.2	1,900	691
Financial assets:			
Investments	2.4	4,137	4,634
Loans	2.5	21	19
Other financial assets	2.6	737	312
Deferred tax assets (net)	2.15	1,744	1,372
Income tax assets (net)	2.15	5,384	6,320
Other non-current assets	2.9	1,426	2,105
Total non-current assets		**38,192**	**31,860**
Current assets			
Financial assets:			
Investments	2.4	4,655	6,627
Trade receivables	2.7	18,487	14,827
Cash and cash equivalents	2.8	18,649	19,568
Loans	2.5	239	241
Other financial assets	2.6	5,457	5,505
Income tax assets (net)	2.15	7	423
Other Current assets	2.9	7,082	5,687
Total current assets		**54,576**	**52,878**
Total assets		**92,768**	**84,738**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	2,122	2,170
Other equity		63,328	62,778
Total equity attributable to equity holders of the Company		65,450	64,948
Non-controlling interests		394	58
Total equity		**65,844**	**65,006**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Lease liabilities	2.19	4,014	-
Other financial liabilities	2.12	807	147
Deferred tax liabilities (net)	2.15	968	672
Other non-current liabilities	2.13	279	275
Total non-current liabilities		**6,068**	**1,094**
Current liabilities			
Financial Liabilities			
Trade payables		2,852	1,655
Lease liabilities	2.19	619	-
Other financial liabilities	2.12	10,481	10,452
Other current liabilities	2.13	4,842	4,388
Provisions	2.14	572	576
Income tax liabilities (net)	2.15	1,490	1,567
Total current liabilities		**20,856**	**18,638**
Total equity and liabilities		**92,768**	**84,738**

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar	Nandan M. Nilekani	Salil Parekh	U.B. Pravin Rao
Partner	*Chairman*	*Chief Executive Officer*	*Chief Operating Officer*
Membership No. 39826		*and Managing Director*	*and Whole-time Director*
Bengaluru	D. Sundaram	Nilanjan Roy	A.G.S. Manikantha
April 20, 2020	*Director*	*Chief Financial Officer*	*Company Secretary*

INFOSYS LIMITED AND SUBSIDIARIES

(in ₹ crore, except equity share and per equity share data

Consolidated Statement of Profit and Loss		**Three months ended March 31,**		**Year ended March 31,**	
	Note No.	**2020**	**2019**	**2020**	**2019**
Revenue from operations	2.16	23,267	21,539	90,791	82,675
Other income, net	2.17	614	665	2,803	2,882
Total income		**23,881**	**22,204**	**93,594**	**85,557**
Expenses					
Employee benefit expenses	2.18	12,916	12,074	50,887	45,315
Cost of technical sub-contractors		1,704	1,601	6,714	6,033
Travel expenses		667	603	2,710	2,433
Cost of software packages and others	2.18	755	689	2,703	2,553
Communication expenses		139	115	528	471
Consultancy and professional charges		339	376	1,326	1,324
Depreciation and amortisation expenses	2.2 and 2.3.2	749	531	2,893	2,011
Finance cost	2.19	45	-	170	-
Other expenses	2.18	1,071	932	3,656	3,655
Reduction in the fair value of Disposal Group held for sale	2.1.2	-	-	-	270
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.1.2	-	-	-	451
Total expenses		**18,385**	**16,921**	**71,587**	**64,516**
Profit before tax		**5,496**	**5,283**	**22,007**	**21,041**
Tax expense:					
Current tax	2.15	1,335	1,193	5,775	5,727
Deferred tax	2.15	(174)	12	(407)	(96)
Profit for the period		**4,335**	**4,078**	**16,639**	**15,410**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset. net	2.20 and 2.15	(21)	(3)	(180)	(22)
Equity instruments through other comprehensive income, net	2.4 and 2.15	(2)	1	(33)	70
		(23)	**(2)**	**(213)**	**48**
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net	2.10 and 2.15	-	(15)	(36)	21
Exchange differences on translation of foreign operations		237	(70)	378	63
Fair value changes on investments, net	2.4 and 2.15	15	25	22	2
		252	**(60)**	**364**	**86**
Total other comprehensive income /(loss), net of tax		**229**	**(62)**	**151**	**134**
Total comprehensive income for the period		**4,564**	**4,016**	**16,790**	**15,544**
Profit attributable to:					
Owners of the Company		4,321	4,074	16,594	15,404
Non-controlling interests		14	4	45	6
		4,335	**4,078**	**16,639**	**15,410**
Total comprehensive income attributable to:					
Owners of the Company		4,545	4,012	16,732	15,538
Non-controlling interests		19	4	58	6
		4,564	**4,016**	**16,790**	**15,544**
Earnings per Equity share					
Equity shares of par value ₹5/- each					
Basic (₹)		10.19	9.37	38.97	35.44
Diluted (₹)		10.18	9.36	38.91	35.38
Weighted average equity shares used in computing earnings per equity share	2.21				
Basic		4,240,181,854	4,347,129,592	4,257,754,522	4,347,130,157
Diluted		4,245,981,386	4,353,023,863	4,265,144,228	4,353,420,772

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar	Nandan M. Nilekani	Salil Parekh	U.B. Pravin Rao
Partner	*Chairman*	*Chief Executive Officer*	*Chief Operating Officer*
Membership No. 39826		*and Managing Director*	*and Whole-time Director*
Bengaluru	D. Sundaram	Nilanjan Roy	A.G.S. Manikantha
April 20, 2020	*Director*	*Chief Financial Officer*	*Company Secretary*

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

(In ₹ crore)

Particulars	OTHER EQUITY															
		RESERVES & SURPLUS								Other comprehensive income				Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
	Equity Share capital [1]	Securities Premium	Retained earnings	Capital reserve	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [2]	Other reserves[3]	Capital redemption reserve	Equity instruments through other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)			
Balance as at April 1, 2018	**1,088**	**36**	**58,477**	**54**	**2,725**	**130**	**1,583**	**5**	**56**	**2**	**779**	**-**	**(12)**	**64,923**	**1**	**64,924**
Changes in equity for the year ended March 31, 2019																
Profit for the period	-	-	15,404	-	-	-	-	-	-	-	-	-	-	15,404	6	15,410
Remeasurement of the net defined benefit liability/asset* (refer note no. 2.20.1 and 2.15)	-	-	-	-	-	-	-	-	-	-	-	-	(22)	(22)	-	(22)
Equity instruments through other comprehensive income* (refer to note no.2.4)	-	-	-	-	-	-	-	-	-	70	-	-	-	70	-	70
Fair value changes on derivatives designated as cash flow hedge*(refer note no. 2.10)	-	-	-	-	-	-	-	-	-	-	-	21	-	21	-	21
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	63	-	-	63	-	63
Fair value changes on investments* (refer to note no.2.4)	-	-	-	-	-	-	-	-	-	-	-	-	2	2	-	2
Total Comprehensive income for the period	**-**	**-**	**15,404**	**-**	**-**	**-**	**-**	**-**	**-**	**70**	**63**	**21**	**(20)**	**15,538**	**6**	**15,544**
Share based payments to employees (Refer to note 2.11)	-	-	-	-	-	197	-	-	-	-	-	-	-	197	-	197
Dividends (including dividend distribution tax)	-	-	(13,712)	-	-	-	-	-	-	-	-	-	-	(13,712)	-	(13,712)
Buyback of equity shares (Refer to note 2.11 & 2.12)	(6)	-	-	-	(1,994)	-	-	-	-	-	-	-	-	(2,000)	-	(2,000)
Non-controlling interests on acquisition of subsidiary (refer to note no.2.11)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	51	51
Exercise of stock options (refer to note no 2.11)	-	99	-	-	-	(99)	-	-	-	-	-	-	-	-	-	-
Transfer on account of options not exercised	-	-	-	-	1	(1)	-	-	-	-	-	-	-	-	-	-
Income tax benefit arising on exercise of stock options	-	8	-	-	-	-	-	-	-	-	-	-	-	8	-	8
Transfer to general reserve	-	-	(1,615)	-	1,615	-	-	-	-	-	-	-	-	-	-	-
Amount transferred to other reserves	-	-	(1)	-	-	-	-	1	-	-	-	-	-	-	-	-
Amount transferred to capital redemption reserve upon buyback (refer to note no. 2.11)	-	-	-	-	(5)	-	-	-	5	-	-	-	-	-	-	-
Shares issued on exercise of employee stock options - after bonus issue (Refer to note 2.11)	-	6	-	-	-	-	-	-	-	-	-	-	-	6	-	6
Transaction costs related to buyback* (refer to note no.2.11)	-	-	-	-	(12)	-	-	-	-	-	-	-	-	(12)	-	(12)
Transferred to Special Economic Zone Re-investment reserve	-	-	(2,417)	-	-	-	2,417	-	-	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	1,430	-	-	-	(1,430)	-	-	-	-	-	-	-	-	-
Increase in Equity share capital on account of bonus issue (refer to note no 2.11)	1,088	-	-	-	-	-	-	-	-	-	-	-	-	1,088	-	1,088
Amounts utilized for bonus issue (Refer to note 2.11)	-	-	-	-	(1,088)	-	-	-	-	-	-	-	-	(1,088)	-	(1,088)
Balance as at March 31, 2019	**2,170**	**149**	**57,566**	**54**	**1,242**	**227**	**2,570**	**6**	**61**	**72**	**842**	**21**	**(32)**	**64,948**	**58**	**65,006**

Consolidated Statement of Changes in Equity (contd.)

(In ₹ crore)

Particulars	OTHER EQUITY															
		RESERVES & SURPLUS								Other comprehensive income						
	Equity Share capital [1]	Securities Premium	Retained earnings	Capital reserve	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [2]	Other reserves [3]	Capital redemption reserve	Equity instruments through Other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)	Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance as at April 1, 2019	**2,170**	**149**	**57,566**	**54**	**1,242**	**227**	**2,570**	**6**	**61**	**72**	**842**	**21**	**(32)**	**64,948**	**58**	**65,006**
Impact on account of adoption of Ind AS 116 (Refer to note 2.19)*	-	-	(40)	-	-	-	-	-	-	-	-	-	-	(40)	-	(40)
	2,170	**149**	**57,526**	**54**	**1,242**	**227**	**2,570**	**6**	**61**	**72**	**842**	**21**	**(32)**	**64,908**	**58**	**64,966**
Changes in equity for the year ended March 31. 2020																
Profit for the period	-	-	16,594	-	-	-	-	-	-	-	-	-	-	16,594	45	16,639
Remeasurement of the net defined benefit liability/asset* (refer note no. 2.20.1 and 2.15)	-	-	-	-	-	-	-	-	-	-	-	-	(180)	(180)	-	(180)
Equity instruments through other comprehensive income* (refer to note no.2.4)	-	-	-	-	-	-	-	-	-	(33)	-	-	-	(33)	-	(33)
Fair value changes on derivatives designated as cash flow hedge* (refer note no. 2.10)	-	-	-	-	-	-	-	-	-	-	-	(36)	-	(36)	-	(36)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	365	-	-	365	13	378
Fair value changes on investments* (refer to note no.2.4)	-	-	-	-	-	-	-	-	-	-	-	-	22	22	-	22
Total Comprehensive income for the period	**-**	**-**	**16,594**	**-**	**-**	**-**	**-**	**-**	**-**	**(33)**	**365**	**(36)**	**(158)**	**16,732**	**58**	**16,790**
Shares issued on exercise of employee stock options (Refer to note 2.11)	1	5	-	-	-	-	-	-	-	-	-	-	-	6	-	6
Buyback of equity shares (Refer to note 2.11 & 2.12)	(49)	-	(4,717)	-	(1,494)	-	-	-	-	-	-	-	-	(6,260)	-	(6,260)
Transaction costs relating to buyback * (Refer to note 2.11)	-	-	-	-	(11)	-	-	-	-	-	-	-	-	(11)	-	(11)
Amount transferred to capital redemption reserve upon buyback (Refer to note 2.11)	-	-	-	-	(50)	-	-	-	50	-	-	-	-	-	-	-
Employee stock compensation expense (refer to note 2.11)	-	-	-	-	-	238	-	-	-	-	-	-	-	238	-	238
Exercise of stock options (refer to note no. 2.11)	-	119	-	-	-	(119)	-	-	-	-	-	-	-	-	-	-
Transfer on account of options not exercised	-	-	-	-	1	(1)	-	-	-	-	-	-	-	-	-	-
Effect of modification of equity settled share based payment awards to cash settled awards (Refer to note 2.11)	-	-	(9)	-	-	(48)	-	-	-	-	-	-	-	(57)	-	(57)
Income tax benefit arising on exercise of stock options	-	9	-	-	-	-	-	-	-	-	-	-	-	9	-	9
Financial liability under option arrangements (refer to note 2.1)	-	-	(598)	-	-	-	-	-	-	-	-	-	-	(598)	-	(598)
Dividends paid to non controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(33)	(33)
Dividends (including dividend distribution tax)	-	-	(9,517)	-	-	-	-	-	-	-	-	-	-	(9,517)	-	(9,517)
Non-controlling interests on acquisition of subsidiary (refer to note no.2.11)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	311	311
Transfer to general reserve	-	-	(1,470)	-	1,470	-	-	-	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(2,580)	-	-	-	2,580	-	-	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	1,080	-	-	-	(1,080)	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	**2,122**	**282**	**56,309**	**54**	**1,158**	**297**	**4,070**	**6**	**111**	**39**	**1,207**	**(15)**	**(190)**	**65,450**	**394**	**65,844**

** Net of tax*

(1) Net of treasury shares

(2) The Special Economic Zone Re-investment Reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Sec 10AA(1)(ii) of Income Tax Act,1961. The reserve should be utilized by the Group for acquiring new plant and machinery for the purpose of its business in the terms of the Sec 10AA(2) of the Income Tax Act, 1961.

(3) Under the Swiss Code of Obligation, few subsidiaries of Infosys Lodestone are required to appropriate a certain percentage of the annual profit to legal reserve which may be used only to cover losses or for measures designed to sustain the Company through difficult times, to prevent unemployment or to mitigate its consequences.

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

As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer
and Managing Director

U.B. Pravin Rao
Chief Operating Officer
and Whole-time Director

Bengaluru
April 20, 2020

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A.G.S. Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Statement of Cash Flows

Accounting policy

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(In ₹ crore)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities			
Profit for the period		16,639	15,410
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.15	5,368	5,631
Depreciation and amortization	2.2 ,2.3.2 & 2.19	2,893	2,011
Interest and dividend income	2.17	(1,613)	(2,052)
Finance cost	2.19	170	-
Impairment loss recognized / (reversed) under expected credit loss model		161	239
Exchange differences on translation of assets and liabilities		184	66
Reduction in the fair value of Disposal Group held for sale	2.1.2	-	270
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.1.2	-	451
Stock compensation expense	2.11	249	202
Other adjustments		(131)	(102)
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(3,861)	(2,881)
Loans, other financial assets and other assets		76	(700)
Trade payables		(373)	916
Other financial liabilities, other liabilities and provisions		1,791	2,212
Cash generated from operations		**21,553**	**21,673**
Income taxes paid		(4,550)	(6,832)
Net cash generated by operating activities		**17,003**	**14,841**
Cash flows from investing activities			
Expenditure on property, plant and equipment		(3,307)	(2,445)
Loans to employees		-	14
Deposits placed with corporation		(108)	(24)
Interest and dividend received		1,929	1,557
Payment towards acquisition of business, net of cash acquired		(1,860)	(550)
Payment of contingent consideration pertaining to acquisition of business		(6)	(18)
Advance payment towards acquisition of business		-	(206)
Redemption of escrow pertaining to Buyback	2.6	257	(257)
Other receipts		46	-
Payments to acquire Investments			
Preference, equity securities and others		(41)	(21)
Tax free bonds and government bonds		(19)	(17)
Liquid mutual funds and fixed maturity plan securities		(34,839)	(78,355)
Non convertible debentures		(993)	(160)
Certificates of deposit		(1,114)	(2,393)
Government securities		(1,561)	(838)
Commercial paper		-	(491)
Others		(29)	(19)
Proceeds on sale of financial assets			
Tax free bonds and government bonds		87	1
Non-convertible debentures		1,888	738
Government securities		1,674	123
Commercial paper		500	300
Certificates of deposit		2,545	5,540
Liquid mutual funds and fixed maturity plan securities		34,685	76,821
Preference and equity securities		27	115
Others		-	10
Net cash used in investing activities		**(239)**	**(575)**

Cash flows from financing activities:			
Payment of lease liabilities	2.19	(571)	-
Payment of dividends (including dividend distribution tax)		(9,515)	(13,705)
Payment of dividend to non-controlling interest of subsidiary		(33)	-
Shares issued on exercise of employee stock options		6	6
Buyback of equity shares including transaction cost		(7,478)	(813)
Net cash used in financing activities		**(17,591)**	**(14,512)**
Net increase / (decrease) in cash and cash equivalents		(827)	(246)
Cash and cash equivalents at the beginning of the period	2.8	19,568	19,871
Effect of exchange rate changes on cash and cash equivalents		(92)	(57)
Cash and cash equivalents at the end of the period	2.8	**18,649**	**19,568**
Supplementary information:			
Restricted cash balance	2.8	396	358

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

As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar	Nandan M. Nilekani	Salil Parekh	U.B. Pravin Rao
Partner	*Chairman*	*Chief Executive Officer*	*Chief Operating Officer*
Membership No. 39826		*and Managing Director*	*and Whole-time Director*
Bengaluru	D. Sundaram	Nilanjan Roy	A.G.S. Manikantha
April 20, 2020	*Director*	*Chief Financial Officer*	*Company Secretary*

INFOSYS LIMITED AND SUBSIDIARIES

Notes to the interim consolidated financial statements

1. Overview

1.1 Company overview

Infosys Limited ('the Company' or Infosys) is a leading provider of consulting, technology, outsourcing and next-generation digital services, enabling clients to execute strategies for their digital transformation. Infosys strategic objective is to build a sustainable organization that remains relevant to the agenda of clients, while creating growth opportunities for employees and generating profitable returns for investors. Infosys strategy is to be a navigator for our clients as they ideate, plan and execute on their journey to a digital future.

Infosys together with its subsidiaries and controlled trusts is hereinafter referred to as 'the Group'.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Electronics city, Hosur Road, Bengaluru 560100, Karnataka, India. The Company has its primary listings on the BSE Ltd. and National Stock Exchange of India Limited. The Company's American Depositary Shares (ADS) representing equity shares are listed on the New York Stock Exchange (NYSE).

The Group's consolidated financial statements are approved for issue by the Company's Board of Directors on April 20, 2020.

1.2 Basis of preparation of financial statements

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As the quarter and year figures are taken from the source and rounded to the nearest digits, the quarter figures in this statement added up to the figures reported for the previous quarters might not always add up to the year figures reported in this statement.

1.3 Basis of consolidation

Infosys consolidates entities which it owns or controls. The interim consolidated financial statements comprise the financial statements of the Company, its controlled trusts and its subsidiaries, as disclosed in Note no. 2.23. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group Companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or

1.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in Note no. 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the interim consolidated financial statements.

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

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues , goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements

1.5 Critical accounting estimates and judgments

a. Revenue recognition

The Group's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgement.

Fixed price maintenance revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed price maintenance contract is recognized ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Group's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of method to recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

The Group uses the percentage-of-completion method in accounting for other fixed-price contracts. Use of the percentage-of-completion method requires the Group to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

b. Income taxes

The Company's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other overseas jurisdictions.

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer to Note no. 2.15 and 2.22

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, 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 income over the periods in which the deferred income tax assets are deductible, management believes that the group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

c. Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Estimates are required to be made in determining the value of contingent consideration, value of option arrangements and intangible assets. These valuations are conducted by independent valuation experts. 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 (Refer to Note no 2.1 and 2.3.2).

d. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology (Refer to Note no 2.2).

e. Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGUs) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell. Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises estimated long term growth rates, weighted average cost of capital and estimated operating margins. (Refer to Note no 2.3.1)

f. Non-current assets and Disposal Group held for sale

Assets and liabilities of Disposal Groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the Disposal Groups have been estimated using valuation techniques including income and market approach which includes unobservable inputs.

Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the Non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the Disposal Group no longer meets the " Held for sale" criteria. Recoverable amounts of assets reclassified from held for sale have been estimated using management's assumptions which consist of significant unobservable inputs (Refer to Note no 2.1.2).

g. 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 Group 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 Infosys'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 Group has concluded that no changes are required to lease period relating to the existing lease contracts. (Refer to Note no. 2.19)

h. Loss allowance for receivables and unbilled revenues

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

2.1 BUSINESS COMBINATIONS AND DISPOSAL GROUP HELD FOR SALE

2.1.1 Business combinations

Accounting policy

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognized in the Statement of Profit and Loss.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

The payments related to options issued by the Group over the non-controlling interests in its subsidiaries are accounted as financial liabilities and initially recognized at the estimated present value of gross obligations. Such options are subsequently measured at fair value in order to reflect the amount payable under the option at the date at which it becomes exercisable. In the event that the option expires unexercised, the liability is derecognised.

Business combinations between entities under common control is accounted for at carrying value of the assets and liabilities in the Group's consolidated financial statements.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Wongdoody Holding Company Inc

On May 22, 2018, Infosys acquired 100% of the voting interests in WongDoody Holding Company Inc., (WongDoody) an US-based, full-service creative and consumer insights agency. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of up to $75 million (approximately ₹514 crore on acquisition date), which includes a cash consideration of $38 million (approximately ₹261 crore), contingent consideration of up to $28 million (approximately ₹192 crore on acquisition date) and an additional consideration of up to $9 million (approximately ₹61 crore on acquisition date), referred to as retention bonus, payable to the employees of WongDoody over the next three years, subject to their continuous employment with the group. Retention bonus is recognized in employee benefit expenses in the Statement of Profit and Loss over the period of service.

WongDoody, brings to Infosys the creative talent and marketing and brand engagement expertise. Further the acquisition is expected to strengthen Infosys' creative, branding and customer experience capabilities to bring innovative thinking, talent and creativity to clients.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets[*]	37	-	37
Intangible assets - customer relationships	-	132	132
Intangible assets - trade name	-	8	8
	37	140	177
Goodwill			173
Total purchase price			**350**

** Includes cash and cash equivalents acquired of ₹51 crore.*

Goodwill is tax deductible

The fair value of each major class of consideration as at the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash consideration	261
Fair value of contingent consideration	89
Total purchase price	**350**

The gross amount of trade receivables acquired and its fair value is ₹12 crore and the amount has been fully collected.

The payment of contingent consideration to sellers of WongDoody is dependent upon the achievement of certain financial targets by WongDoody. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 16% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as at March 31, 2020 is $19 million (₹145 crore).

The transaction costs of ₹3 crore related to the acquisition have been included in the statement of Profit and Loss for the year ended March 31, 2019.

Infosys Compaz Pte Limited (formerly Trusted Source Pte Ltd)

On November 16, 2018, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 60% stake in Infosys Compaz Pte. Ltd, a Singapore based IT services company. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of up to SGD 17 million (approximately ₹91 crore on acquisition date), which includes a cash consideration of SGD 10 million (approximately ₹54 crore) and a contingent consideration of up to SGD 7 million (approximately ₹37 crore on acquisition date).

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets[(*)]	92	-	92
Intangible assets - Customer contracts and relationships	-	44	44
Deferred tax liabilities on intangible assets	-	(7)	(7)
	92	**37**	**129**
Non-controlling interests			(51)
Total purchase price			**78**

** Includes cash and cash equivalents acquired of ₹65 crore.*

The fair value of each major class of consideration as at the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash consideration	54
Fair value of contingent consideration	24
Total purchase price	**78**

The gross amount of trade receivables acquired and its fair value is ₹50 crore and the amount has been substantially collected.

The payment of contingent consideration to sellers of Infosys Compaz Pte. Ltd is dependent upon the achievement of certain revenue targets by Infosys Compaz Pte. Ltd. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 9% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as at March 31, 2020 is SGD 7 million (₹37 crore).

The transaction costs of ₹3 crore related to the acquisition have been included in the statement of Profit and Loss for the year ended March 31, 2019.

Fluido Oy

On October 11, 2018, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 100% of voting interests in Fluido Oy (Fluido), a Nordic-based salesforce advisor and consulting partner in cloud consulting, implementation and training services for a total consideration of upto Euro 65 million (approximately ₹560 crore), comprising of cash consideration of Euro 45 million (approximately ₹388 crore), contingent consideration of upto Euro 12 million (approximately ₹103 crore) and retention payouts of upto Euro 8 million (approximately ₹69 crore), payable to the employees of Fluido over the next three years, subject to their continuous employment with the group.

Fluido brings to Infosys the Salesforce expertise, alongside an agile delivery process that simplifies and scales digital efforts across channels and touchpoints. Further, Fluido strengthens Infosys' presence across the Nordics region with developed assets and client relationships. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets[(*)]	12	-	12
Intangible assets - Customer contracts and relationships	-	158	158
Intangible assets - Salesforce Relationships	-	62	62
Intangible assets - Brand	-	28	28
Deferred tax liabilities on intangible assets	-	(52)	(52)
	12	**196**	**208**
Goodwill			240
Total purchase price			**448**

** Includes cash and cash equivalents acquired of ₹28 crore.*

Goodwill is not tax deductible

The fair value of each major class of consideration as of the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash consideration	388
Fair value of contingent consideration	60
Total purchase price	**448**

The gross amount of trade receivables acquired and its fair value is ₹27 crore and the amount has been fully collected.

The payment of contingent consideration to sellers of Fluido is dependent upon the achievement of certain financial targets by Fluido. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 16% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as at March 31, 2020 was EUR 9 million (₹73 crore).

The transaction costs of ₹5 crore related to the acquisition have been included in the Consolidated Statement of Profit and Loss for the year ended March 31, 2019.

HIPUS Co., Ltd (formerly, Hitachi Procurement Service Co. Ltd)

On April 1, 2019, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 81% of voting interests in HIPUS Co., Limited, a wholly owned subsidiary of Hitachi Ltd, Japan for a total cash consideration of JPY 3.29 billion (approximately ₹206 crore). The company has recorded a financial liability for the estimated present value of its gross obligation to purchase the Non-controlling interest as of the acquisition date in accordance with the share purchase agreement with a corresponding adjustment to equity (refer to note 2.12).

HIPUS handles indirect materials purchasing functions for the Hitachi Group. The entity is expected to provide end-to-end procurement capabilities, through its procurement function expertise, localized team and BPM networks in Japan. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets[(*)]	41	-	41
Intangible assets - Customer contracts and relationships	-	116	116
Deferred tax liabilities on intangible assets	-	(36)	(36)
	41	**80**	**121**
Goodwill			108
Less: Non-controlling Interest			(23)
Total purchase price			**206**

** Includes cash and cash equivalents acquired of ₹179 crore.*

Goodwill is not tax deductible

The gross amount of trade receivables acquired and its fair value is ₹1,400 crore and the amount has been fully collected. Trade payables as on the acquisition date amounted to ₹1,508 crore.

The transaction costs of ₹8 crore related to the acquisition have been included under administrative expenses in the statement of Profit and Loss for the year ended March 31, 2019.

Stater N.V.

On May 23, 2019, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 75% of voting interests in Stater N.V (Stater), a wholly-owned subsidiary of ABN AMRO Bank N.V., Netherland, for a total cash consideration of Euro 154 million (approximately ₹1,195 crore). The company has recorded a financial liability for the estimated present value of its gross obligation to purchase the Non-controlling interest as of the acquisition date in accordance with the share purchase agreement with a corresponding adjustment to equity (refer to note 2.12)

Stater brings European mortgage expertise and a robust digital platform to drive superior customer experience. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets[(*)]	541	-	541
Intangible assets - Customer contracts and relationships	-	549	549
Intangible assets - Technology	-	110	110
Intangible assets - Brand	-	24	24
Deferred tax liabilities on intangible assets	-	(140)	(140)
	541	**543**	**1,084**
Goodwill			399
Less: Non controlling interest			(288)
Total purchase price			**1,195**

** Includes cash and cash equivalents acquired of ₹505 crore.*

Goodwill is not tax deductible

The gross amount of trade receivables acquired and its fair value is ₹78 crore and the amount is substantially collected.

The transaction costs of ₹5 crore related to the acquisition have been included under administrative expenses in the statement of Profit and Loss for the year ended March 31, 2020.

Outbox systems Inc. dba Simplus

On March 13, 2020, Infosys Nova Holdings LLC (a wholly owned subsidiary of Infosys Limited) acquired 100% of voting interests in Outbox systems Inc. dba Simplus , a US based sales force advisor and consulting partner in cloud consulting, implementation and training services for a total consideration of up to $250 million (approximately ₹1,892 crore), comprising of cash consideration of $180 million (approximately ₹1,362 crore), contingent consideration of up to $20 million (approximately ₹151 crore), additional performance bonus and retention payouts of upto $50 million (approximately ₹378 crore) payable to the employees of Simplus over the next three years, subject to their continuous employment with the group and meeting certain targets. Performance and retention bonus is recognized in employee benefit expenses in the statement of Profit and Loss over the period of service.

Simplus brings to Infosys globally recognized Salesforce expertise, industry knowledge, solution assets, deep ecosystem relationships and a broad clientele, across a variety of industries. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill. Goodwill includes the value expected from addition of new customers and estimated synergies which does not qualify as an intangible asset.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying	Fair value adjustments	Purchase price allocated
Net assets[*]	22	-	22
Intangible assets - Customer contracts and relationships	-	152	152
Intangible assets - Salesforce Relationships	-	325	325
Intangible assets - Brand	-	111	111
Deferred tax liabilities on intangible assets	-	(152)	(152)
	22	**436**	**458**
Goodwill			983
Total purchase price			**1,441**

** Includes cash and cash equivalents acquired of ₹7 crore.*

Goodwill is not tax deductible.

The fair value of each major class of consideration as of the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash consideration	1,357
Fair value of contingent consideration	84
Total purchase price	**1,441**

The gross amount of trade receivables acquired and its fair value is approximately ₹73 crore and the amount is recoverable

The payment of contingent consideration to sellers of Simplus is dependent upon the achievement of certain financial targets by Simplus. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 10.5% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as of March 31, 2020 was $13 million (approximately ₹97 crore).

The transaction costs of ₹6 crore related to the acquisition have been included under administrative expenses in the statement of profit and loss for the year ended March 31, 2020.

Proposed transfer

On October 11, 2019, the Board of Directors of Infosys authorized the Company to execute a Business Transfer Agreement and related documents with its wholly owned subsidiaries, Kallidus Inc and Skava Systems Private Limited (together referred to as Skava), to transfer the business of Skava to Infosys Limited, subject to securing the requisite regulatory approvals for a consideration based on an independent valuation. The transfer between entities under common control would be accounted for at carrying value and would not have any impact on the consolidated financial statements.

2.1.2. Disposal group held for sale

Accounting policy

Non-current assets and Disposal Group are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset or the Disposal Group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets and Disposal Group held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the Disposal Group no longer meets the "Held for sale" criteria.

During the year ended March 2018, the Company had initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya, collectively referred to as the "Disposal Group". The Disposal Group was classified and presented separately as "held for sale" and was carried at the lower of carrying value and fair value. During the year ended March 31, 2019, on remeasurement, including consideration of progress in negotiations on offers from prospective buyers for Panaya, the Company has recorded a reduction in the fair value of Disposal Group held for sale amounting to ₹270 crore in respect of Panaya.

Further, based on evaluation of proposals received and progress of negotiations with potential buyers, the Company concluded that the Disposal Group does not meet the criteria for "Held for Sale' classification because it is no longer highly probable that sale would be consummated by March 31, 2019 (twelve months from date of initial classification as "held for sale"). Accordingly, in accordance with Ind AS 105 -" Non current Assets held for Sale and Discontinued Operations", the assets and liabilities of Panaya and Skava have been included on a line by line basis in the consolidated financial statements as at March 31, 2019.

On reclassification from "Held for sale", the assets of Panaya and Skava have been remeasured at the lower of cost and recoverable amount resulting in recognition of an adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" of ₹451 crore (comprising of ₹358 crore towards goodwill and ₹93 crore towards value of customer relationships) in respect of Skava in the consolidated statement of Profit and Loss for the year ended March 31, 2019.

2.2 PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Buildings [(1)]	22-25 years
Plant and machinery [(1)(2)]	5 years
Office equipment	5 years
Computer equipment [(1)]	3-5 years
Furniture and fixtures [(1)]	5 years
Vehicles[(1)]	5 years
Leasehold improvements	Lower of useful life of the asset or lease term

[(1)] *Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.*

[(2)] *Includes Solar plant with a useful life of 20 years*

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Consolidated Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Consolidated Statement of Profit and Loss.

Impairment

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 Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Consolidated 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 Consolidated 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 depreciation) had no impairment loss been recognized for the asset in prior years.

The changes in the carrying value of property, plant and equipment for the three months ended March 31, 2020 are as follows:

(In ₹ crore)

Particulars	Land - Freehold	Buildings [(1)]	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvement	Vehicles	Total
Gross carrying value as at January 1, 2020	1,316	9,460	3,060	1,209	6,513	1,964	1,026	43	**24,591**
Additions	2	524	124	55	192	115	42	1	1,055
Additions - Business Combination	-	-	-	1	2	1	4	-	8
Deletions	-	-	(1)	(1)	(38)	(8)	(17)	-	(65)
Translation difference	-	32	2	1	7	1	8	1	52
Gross carrying value as at March 31, 2020	**1,318**	**10,016**	**3,185**	**1,265**	**6,676**	**2,073**	**1,063**	**45**	**25,641**
Accumulated depreciation as at January 1, 2020	-	(3,190)	(2,066)	(903)	(4,711)	(1,327)	(519)	(26)	**(12,742)**
Depreciation	-	(91)	(79)	(32)	(209)	(62)	(42)	(2)	(517)
Accumulated depreciation on deletions	-	-	1	1	38	8	17	-	65
Translation difference	-	(3)	(1)	-	(3)	1	(6)	-	(12)
Accumulated depreciation as at March 31, 2020	-	**(3,284)**	**(2,145)**	**(934)**	**(4,885)**	**(1,380)**	**(550)**	**(28)**	**(13,206)**
Carrying value as at January 1, 2020	**1,316**	**6,270**	**994**	**306**	**1,802**	**637**	**507**	**17**	**11,849**
Carrying value as at March 31, 2020	**1,318**	**6,732**	**1,040**	**331**	**1,791**	**693**	**513**	**17**	**12,435**

The changes in the carrying value of property, plant and equipment for the three months ended March 31, 2019 are as follows:

(In ₹ crore)

Particulars	Land-Freehold	Land-Leasehold	Buildings [(1)]	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Vehicles	Total
Gross carrying value as at January 1, 2019	1,307	652	8,632	2,440	1,069	5,515	1,503	636	36	**21,790**
Additions/adjustments	36	-	402	326	62	453	141	113	3	1,536
Deletions	(36)	(47)	(116)	(56)	(29)	(122)	(24)	(9)	-	(439)
Translation difference	-	-	8	(1)	(1)	-	-	(1)	(1)	4
Gross carrying value as at March 31, 2019	**1,307**	**605**	**8,926**	**2,709**	**1,101**	**5,846**	**1,620**	**739**	**38**	**22,891**
Accumulated depreciation as at January 1, 2019	-	(35)	(2,948)	(1,817)	(804)	(4,101)	(1,142)	(395)	(21)	**(11,263)**
Depreciation	-	(1)	(81)	(71)	(31)	(212)	(48)	(28)	(2)	(474)
Accumulated depreciation on deletions	-	3	103	47	22	121	20	9	-	325
Translation difference	-	-	(1)	-	-	-	-	-	1	-
Accumulated depreciation as at March 31, 2019	-	**(33)**	**(2,927)**	**(1,841)**	**(813)**	**(4,192)**	**(1,170)**	**(414)**	**(22)**	**(11,412)**
Carrying value as at January 1, 2019	**1,307**	**617**	**5,684**	**623**	**265**	**1,414**	**361**	**241**	**15**	**10,527**
Carrying value as at March 31, 2019	**1,307**	**572**	**5,999**	**868**	**288**	**1,654**	**450**	**325**	**16**	**11,479**

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2020 were as follows:

(In ₹ crore)

Particulars	Land - Freehold	Land - Leasehold	Buildings [1]	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvement	Vehicles	Total
Gross carrying value as at April 1, 2019	**1,307**	**605**	**8,926**	**2,709**	**1,101**	**5,846**	**1,620**	**739**	**38**	**22,891**
Additions	11	-	1,056	475	169	930	465	324	7	3,437
Additions - Business Combination	-	-	-	-	1	62	9	6	-	78
Deletions	-	-	-	(3)	(8)	(179)	(24)	(18)	(1)	(233)
Reclassified on account of adoption of Ind AS 116 (Refer to note 2.19)	-	(605)	-	-	-	-	-	-	-	(605)
Translation difference	-	-	34	4	2	17	3	12	1	73
Gross carrying value as at March 31, 2020	**1,318**	**-**	**10,016**	**3,185**	**1,265**	**6,676**	**2,073**	**1,063**	**45**	**25,641**
Accumulated depreciation as at April 1, 2019	**-**	**(33)**	**(2,927)**	**(1,841)**	**(813)**	**(4,192)**	**(1,170)**	**(414)**	**(22)**	**(11,412)**
Depreciation	-	-	(353)	(306)	(128)	(862)	(233)	(146)	(7)	(2,035)
Accumulated depreciation on deletions	-	-	-	3	8	179	23	18	1	232
Reclassified on account of adoption of Ind AS 116 (Refer to note 2.19)	-	33	-	-	-	-	-	-	-	33
Translation difference	-	-	(4)	(1)	(1)	(10)	-	(8)	-	(24)
Accumulated depreciation as at March 31, 2020	**-**	**-**	**(3,284)**	**(2,145)**	**(934)**	**(4,885)**	**(1,380)**	**(550)**	**(28)**	**(13,206)**
Carrying value as at April 1, 2019	**1,307**	**572**	**5,999**	**868**	**288**	**1,654**	**450**	**325**	**16**	**11,479**
Carrying value as at March 31, 2020	**1,318**	**-**	**6,732**	**1,040**	**331**	**1,791**	**693**	**513**	**17**	**12,435**

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2019 were as follows:

(In ₹ crore)

Particulars	Land - Freehold	Land - Leasehold	Buildings [1]	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvement	Vehicles	Total
Gross carrying value as at April 1, 2018	**1,229**	**673**	**8,130**	**2,306**	**1,002**	**4,884**	**1,393**	**531**	**31**	**20,179**
Additions	78	-	916	462	136	1,129	254	209	9	3,193
Additions - Business Combination	-	-	-	1	2	34	7	3	-	47
Deletions	-	(68)	(116)	(60)	(40)	(239)	(40)	(21)	(2)	(586)
Reclassified from assets held for sale (Refer note 2.1.2)	-	-	-	1	2	40	8	17	-	68
Translation difference	-	-	(4)	(1)	(1)	(2)	(2)	-	-	(10)
Gross carrying value as at March 31, 2019	**1,307**	**605**	**8,926**	**2,709**	**1,101**	**5,846**	**1,620**	**739**	**38**	**22,891**
Accumulated depreciation as at April 1, 2018	**-**	**(31)**	**(2,719)**	**(1,597)**	**(719)**	**(3,632)**	**(1,017)**	**(330)**	**(18)**	**(10,063)**
Depreciation	-	(5)	(313)	(293)	(125)	(766)	(185)	(89)	(6)	(1,782)
Accumulated depreciation on deletions	-	3	103	50	32	229	36	20	2	475
Reclassified from assets held for sale (Refer note 2.1.2)	-	-	-	(1)	(1)	(25)	(5)	(15)	-	(47)
Translation difference	-	-	2	-	-	2	1	-	-	5
Accumulated depreciation as at March 31, 2019	**-**	**(33)**	**(2,927)**	**(1,841)**	**(813)**	**(4,192)**	**(1,170)**	**(414)**	**(22)**	**(11,412)**
Carrying value as at April 1, 2018	**1,229**	**642**	**5,411**	**709**	**283**	**1,252**	**376**	**201**	**13**	**10,116**
Carrying value as at March 31, 2019	**1,307**	**572**	**5,999**	**868**	**288**	**1,654**	**450**	**325**	**16**	**11,479**

[1] *Buildings include ₹250/- being the value of five shares of ₹50/- each in Mittal Towers Premises Co-operative Society Limited.*

The aggregate depreciation has been included under depreciation and amortisation expense in the consolidated Statement of Profit and Loss.

2.3 GOODWILL AND OTHER INTANGIBLE ASSETS

2.3.1 Goodwill

Accounting policy

Goodwill represents the purchase consideration in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds purchase consideration, the fair value of net assets acquired is reassessed and the bargain purchase excess is recognized in capital reserve. Goodwill is measured at cost less accumulated impairment losses.

Impairment

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGU's which benefit from the synergies of the acquisition. 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 recognized in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period.

Following is a summary of changes in the carrying amount of goodwill:

(In ₹ crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
Carrying value at the beginning	3,540	2,211
Goodwill on Hipus acquisition (Refer note no. 2.1.1)	108	-
Goodwill on Wongdoody acquisition (Refer note no. 2.1.1)	-	173
Goodwill on Fluido Oy acquisition (refer note no. 2.1.1)	-	240
Goodwill on Stater acquisition (Refer note no. 2.1.1)	399	-
Goodwill on Simplus acquisition (Refer note no. 2.1.1)	983	-
Goodwill reclassified from assets held for sale, net of reduction in recoverable amount (Refer note 2.1.2)	-	863
Translation differences	256	53
Carrying value at the end	**5,286**	**3,540**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU or groups of CGUs, which benefit from the synergies of the acquisition. The Group internally reviews the goodwill for impairment at the operating segment level, after allocation of the goodwill to CGU's or groups of CGUs.

The following table presents the allocation of goodwill to operating segments as at March 31, 2020 and March 31, 2019 respectively:

(In ₹ crore)

Segment	As at	
	March 31, 2020	March 31, 2019
Financial services	1,262	743
Retail	500	437
Communication	472	389
Energy, Utilities, Resources and Services	886	374
Manufacturing	378	239
	3,498	2,182
Operating segments without significant goodwill	766	417
Total	**4,264**	**2,599**

Consequent to reclassification from held for sale (refer note no 2.1.2) the goodwill pertaining to Panaya, Kallidus and Skava acquisitions are tested for impairment at the respective entity level, which amounts to ₹1,022 crore and ₹941 crore as at March 31, 2020 and March 31, 2019, respectively.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. Value-in-use is determined based on discounted future cash flows . The key assumptions used for the calculations are as follows:

(in %)

	As at	
	March 31, 2020	March 31, 2019
Long term growth rate	7-10	8-10
Operating margins	17-20	17-20
Discount rate	11.9	12.5

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. As at March 31, 2020, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions consequent to the change in estimated future economic conditions on account of possible effects relating to Covid 19 is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating unit.

2.3.2 Other intangible assets

Accounting policy

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances). Amortization methods and useful lives are reviewed periodically including at each financial year end.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

Impairment

Intangible 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 CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Consolidated 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 Consolidated 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 amortization) had no impairment loss been recognized for the asset in prior years.

The changes in the carrying value of acquired intangible assets for the three months ended March 31, 2020 are as follows:

(In ₹ crore)

Particulars	Customer related	Software related	Intellectual property rights related	Brand or Trademark Related	Others*	Total
Gross carrying value as at January 1, 2020	**1,661**	**642**	**1**	**126**	**84**	**2,514**
Additions	-	21	-	-	-	21
Acquisition through business combination (Refer note no. 2.1.1)	152	-	-	111	325	588
Deletions	-	-	-	-	-	-
Translation difference	65	34	-	4	2	105
Gross carrying value as at March 31, 2020	**1,878**	**697**	**1**	**241**	**411**	**3,228**
Accumulated amortization as at January 1, 2020	**(685)**	**(402)**	**(1)**	**(59)**	**(46)**	**(1,193)**
Amortization expense	(40)	(23)	-	(5)	(10)	(78)
Deletions	-	-	-	-	-	-
Translation differences	(30)	(25)	-	(2)	-	(57)
Accumulated amortization as at March 31, 2020	**(755)**	**(450)**	**(1)**	**(66)**	**(56)**	**(1,328)**
Carrying value as at January 1, 2020	**976**	**240**	-	**67**	**38**	**1,321**
Carrying value as at March 31, 2020	**1,123**	**247**	-	**175**	**355**	**1,900**
Estimated Useful Life *(in years)*	1-15	3-10	-	5-10	3-5	
Estimated Remaining Useful Life *(in years)*	0-14	0-9	-	1-10	1-5	

The changes in the carrying value of acquired intangible assets for the three months ended March 31, 2019 are as follows:

(In ₹ crore)

Particulars	Customer related	Software related	Intellectual property rights related	Land use-rights related	Brand or Trademark Related	Others*	Total
Gross carrying value as at January 1, 2019	**950**	**446**	**1**	**72**	**100**	**84**	**1,653**
Acquisition through business combination (Refer note no. 2.1.1)	-	-	-	-	-	-	-
Deletions	-	-	-	-	-	-	-
Translation differences	(13)	(5)	-	1	(1)	(1)	(19)
Gross carrying value as at March 31, 2019	**937**	**441**	**1**	**73**	**99**	**83**	**1,634**
Accumulated amortization as at January 1, 2019	(538)	(283)	(1)	(11)	(42)	(22)	**(897)**
Amortization expense	(25)	(22)	-	(1)	(3)	(6)	(57)
Deletions	-	-	-	-	-	-	-
Translation differences	6	3	-	1	1	-	11
Accumulated amortization as at March 31, 2019	**(557)**	**(302)**	**(1)**	**(11)**	**(44)**	**(28)**	**(943)**
Carrying value as at January 1, 2019	**412**	**163**	-	**61**	**58**	**62**	**756**
Carrying value as at March 31, 2019	**380**	**139**	-	**62**	**55**	**55**	**691**
Estimated Useful Life *(in years)*	1-10	3-8	-	50	5-10	3-5	
Estimated Remaining Useful Life *(in years)*	0-7	1	-	43	2-8	2-3	

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2020:

(In ₹ crore)

Particulars	Customer related	Software related	Intellectual property rights related	Land use-rights related	Brand or Trademark Related	Others*	Total
Gross carrying value as at April 1, 2019	**937**	**441**	**1**	**73**	**99**	**83**	**1,634**
Additions	-	86	-	-	-	-	86
Acquisition through business combination (Refer note no. 2.1.1)	817	110	-	-	135	325	1,387
Reclassified on account of adoption of IndAS 116	-	-	-	(73)	-	-	(73)
Translation difference	124	60	-	-	7	3	194
Gross carrying value as at March 31, 2020	**1,878**	**697**	**1**	**-**	**241**	**411**	**3,228**
Accumulated amortization as at April 1, 2019	**(557)**	**(302)**	**(1)**	**(11)**	**(44)**	**(28)**	**(943)**
Amortization expense	(146)	(105)	-	-	(17)	(27)	(295)
Reclassified on account of adoption of IndAS 116	-	-	-	11	-	-	11
Translation differences	(52)	(43)	-	-	(5)	(1)	(101)
Accumulated amortization as at March 31, 2020	**(755)**	**(450)**	**(1)**	**-**	**(66)**	**(56)**	**(1,328)**
Carrying value as at April 1, 2019	**380**	**139**	**-**	**62**	**55**	**55**	**691**
Carrying value as at March 31, 2020	**1,123**	**247**	**-**	**-**	**175**	**355**	**1,900**
Estimated Useful Life *(in years)*	1-15	3-10	-	-	5-10	3-5	
Estimated Remaining Useful Life *(in years)*	0-14	0-9	-	-	1-10	1-5	

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2019:

(In ₹ crore)

Particulars	Customer related	Software related	Intellectual property rights related	Land use-rights related	Brand or Trademark Related	Others*	Total
Gross carrying value as at April 1, 2018	**445**	**19**	**-**	**73**	**26**	**27**	**590**
Reclassified from assets held for sale (Refer note 2.1.2)	157	388	1	-	37	-	583
Additions	-	9	-	-	-	-	9
Acquisition through business combination (Refer note no. 2.1.1)	334	-	-	-	36	62	432
Deletions	-	-	-	-	-	-	-
Translation difference	1	25	-	-	-	(6)	20
Gross carrying value as at March 31, 2019	**937**	**441**	**1**	**73**	**99**	**83**	**1,634**
Accumulated amortization as at April 1, 2018	**(289)**	**(19)**	**-**	**(10)**	**(12)**	**(13)**	**(343)**
Reclassified from assets held for sale (Refer note 2.1.2)	(56)	(182)	(1)	-	(21)	-	(260)
Amortization expense	(112)	(90)	-	(2)	(10)	(15)	(229)
Reduction in value (Refer note 2.1.2)	(93)	-	-	-	-	-	(93)
Deletions	-	-	-	-	-	-	-
Translation differences	(7)	(11)	-	1	(1)	-	(18)
Accumulated amortization as at March 31, 2019	**(557)**	**(302)**	**(1)**	**(11)**	**(44)**	**(28)**	**(943)**
Carrying value as at April 1, 2018	**156**	**-**	**-**	**63**	**14**	**14**	**247**
Carrying value as at March 31, 2019	**380**	**139**	**-**	**62**	**55**	**55**	**691**
Estimated Useful Life *(in years)*	1-10	3-8	-	50	5-10	3-5	
Estimated Remaining Useful Life *(in years)*	0-7	1	-	43	2-8	2-3	

* Majorly includes intangibles related to salesforce relationships

The amortization expense has been included under depreciation and amortization expense in the Consolidated Statement of Profit and Loss.

Research and Development Expenditure

Research and development expense recognized in the consolidated Statement of Profit and Loss for the three months ended March 31, 2020 and March 31, 2019 was ₹209 crore and ₹196 crore respectively, and for the year ended March 31, 2020 and March 31, 2019 was ₹829 crore and ₹769 crore respectively

2.4 INVESTMENTS

(In ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Unquoted		
Investments carried at fair value through other comprehensive income (*refer note no. 2.4.1*)		
Preference securities	101	89
Equity instruments	1	11
	102	**100**
Investments carried at fair value through profit and loss (*refer note no. 2.4.1*)		
Preference securities	9	23
Others [(1)]	54	16
	63	**39**
Quoted		
Investments carried at amortized cost *(refer note no. 2.4.2)*		
Tax free bonds	1,825	1,893
Government Bonds	21	-
	1,846	**1,893**
Investments carried at fair value through profit and loss (*refer note no. 2.4.3*)		
Fixed maturity plan securities	-	458
	-	**458**
Investments carried at fair value through other comprehensive income (*refer note no. 2.4.4*)		
Non convertible debentures	1,462	1,420
Government securities	664	724
	2,126	**2,144**
Total non-current investments	**4,137**	**4,634**
Current		
Unquoted		
Investments carried at fair value through profit or loss *(refer note no. 2.4.3)*		
Liquid mutual fund units	2,104	1,786
	2,104	**1,786**
Investments carried at fair value through other comprehensive income *(refer note no 2.4.4)*		
Commercial Paper	-	495
Certificates of deposit	1,126	2,482
	1,126	**2,977**
Quoted		
Investment carried at amortized cost *(refer note no.2.4.2)*		
Government Bonds	-	18
	-	**18**
Investments carried at fair value through profit and loss (*refer note no. 2.4.3*)		
Fixed maturity plan securities	489	-
	489	**-**
Investments carried at fair value through other comprehensive income (*refer note no. 2.4.4*)		
Non convertible debentures	936	1,846
	936	**1,846**
Total current investments	**4,655**	**6,627**
Total investments	**8,792**	**11,261**
Aggregate amount of quoted investments	5,397	6,359
Market value of quoted investments (including interest accrued), current	1,425	1,862
Market value of quoted investments (including interest accrued), non current	4,268	4,711
Aggregate amount of unquoted investments	3,395	4,902
Aggregate amount of impairment on value of investments	-	-
Investments carried at amortized cost	1,846	1,911
Investments carried at fair value through other comprehensive income	4,290	7,067
Investments carried at fair value through profit or loss	2,656	2,283

[(1)] Uncalled capital commitments outstanding as at March 31, 2020 and March 31, 2019 was ₹61 crore and ₹86 crore, respectively.

Refer to Note no 2.10 for Accounting policies on Financial Instruments.

Details of amounts recorded in Other comprehensive income :

(In ₹ crore)

	Year ended March 31, 2020			Year ended March 31, 2019		
	Gross	**Tax**	**Net**	**Gross**	**Tax**	**Net**
Net Gain/(loss) on						
Non-convertible debentures	27	(3)	24	1	-	1
Certificates of deposit	(4)	2	(2)	(5)	2	(3)
Government securities	-	-	-	5	(1)	4
Equity and preference securities	(27)	(6)	(33)	63	7	70

Method of fair valuation:

(In ₹ crore)

Class of investment	**Method**	**Fair value as at**	
		March 31, 2020	**March 31, 2019**
Liquid mutual fund units	Quoted price	2,104	1,786
Fixed maturity plan securities	Market observable inputs	489	458
Tax free bonds and government bonds	Quoted price and market observable inputs	2,144	2,125
Non-convertible debentures	Quoted price and market observable inputs	2,398	3,266
Government securities	Quoted price	664	724
Commercial Papers	Market observable inputs	-	495
Certificate of deposits	Market observable inputs	1,126	2,482
Unquoted equity and preference securities - carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model, etc.	102	100
Unquoted equity and preference securities - carried at fair value through profit and loss	Discounted cash flows method, Market multiples method, Option pricing model, etc.	9	23
Others	Discounted cash flows method, Market multiples method, Option pricing model, etc.	54	16
Total		**9,090**	**11,475**

Note: Certain quoted investments are classified as Level 2 in the absence of active market for such investments.

2.4.1 Details of investments

The details of investments in preference, equity and other instruments at March 31, 2020 and March 31, 2019 are as follows:

(In ₹ crore, except otherwise stated)

Particulars	**As at**	
	March 31, 2020	**March 31, 2019**
Preference securities		
Airviz, Inc.	-	3
2,82,279 (2,82,279) Series A Preferred Stock, fully paid up, par value USD 0.001 each		
Whoop, Inc.	40	14
16,48,352(16,48,352) Series B Preferred Stock, fully paid up, par value USD 0.0001 each		
Nivetti Systems Private Limited	10	10
2,28,501 (2,28,501) Preferred Stock, fully paid up, par value ₹1/- each		
Waterline Data Science, Inc.	-	25
Nil (39,33,910) Series B Preferred Shares, fully paid up, par value USD 0.00001 each		
Nil (13,35,707) Series C Preferred Shares, fully paid up, par value USD 0.00001 each		
Trifacta Inc.	42	27
31,40,181 (11,80,358) Series C-1 Preferred Stock		
Tidalscale, Inc.	9	23
36,74,269 (36,74,269) Series B Preferred Stock		
Ideaforge Technology Private Limited	9	10
5,402 (5,402) Series A compulsorily convertible cumulative Preference shares of ₹10 each, fully paid up		
Total investment in preference securities	**110**	**112**
Equity Instruments		
Merasport Technologies Private Limited	-	-
2,420 (2,420) equity shares at ₹8,052 each, fully paid up, par value ₹10/- each		
Global Innovation and Technology Alliance	1	1
15,000 (15,000) equity shares at ₹1,000 each, fully paid up, par value ₹1,000/- each		
Unsilo A/S	-	10
Nil (69,894) Equity Shares, fully paid up, par value DKK 1/- each		
Ideaforge	-	-
100 (100) equity shares at ₹10/-, fully paid up		
Total investment in equity instruments	**1**	**11**
Others		
Stellaris Venture Partners India	30	16
The House Fund II, L.P.	24	-
Total investment in others	**54**	**16**
Total	**165**	**139**

2.4.2 Details of investments in tax free bonds and government bonds

The balances held in tax free bonds as at March 31, 2020 and March 31, 2019 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	As at March 31, 2020			As at March 31, 2019	
	Face Value ₹	Units	Amount	Units	Amount
7.04% Indian Railway Finance Corporation Limited Bonds 03MAR2026	10,00,000	470	49	470	50
7.16% Power Finance Corporation Limited Bonds 17JUL2025	10,00,000	1,000	105	1,000	105
7.18% Indian Railway Finance Corporation Limited Bonds 19FEB2023	1,000	2,000,000	201	2,000,000	201
7.28% Indian Railway Finance Corporation Limited Bonds 21DEC2030	1,000	422,800	42	422,800	42
7.28% National Highways Authority of India Limited Bonds 18SEP2030	10,00,000	3,300	341	3,300	342
7.34% Indian Railway Finance Corporation Limited Bonds 19FEB2028	1,000	2,100,000	210	2,100,000	210
7.35% National Highways Authority of India Limited Bonds 11JAN2031	1,000	571,396	57	571,396	57
7.93% Rural Electrification Corporation Limited Bonds 27MAR2022	1,000	200,000	20	200,000	21
8.00% Indian Railway Finance Corporation Limited Bonds 23FEB2022	1,000	-	-	150,000	15
8.10% Indian Railway Finance Corporation Limited Bonds 23FEB2027	1,000	500,000	52	500,000	52
8.20% Power Finance Corporation Limited Bonds 01FEB2022	1,000	-	-	500,000	50
8.26% India Infrastructure Finance Company Limited Bonds 23AUG2028	10,00,000	1,000	100	1,000	100
8.30% National Highways Authority of India Limited Bonds 25JAN2027	1,000	500,000	53	500,000	53
8.35% National Highways Authority of India Limited Bonds 22NOV2023	10,00,000	1,500	150	1,500	150
8.46% India Infrastructure Finance Company Limited Bonds 30AUG2028	10,00,000	2,000	200	2,000	200
8.46% Power Finance Corporation Limited Bonds 30AUG2028	10,00,000	1,500	150	1,500	150
8.48% India Infrastructure Finance Company Limited Bonds 05SEP2028	10,00,000	450	45	450	45
8.54% Power Finance Corporation Limited Bonds 16NOV2028	1,000	500,000	50	500,000	50
Total investments in tax-free bonds		**68,05,416**	**1,825**	**7,455,416**	**1,893**

The balances held in government bonds as at March 31, 2020 and March 31, 2019 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	As at March 31, 2020			As at March 31, 2019	
	Face Value PHP	Units	Amount	Units	Amount
Treasury Notes Philippines Govt. 29MAY2019	100	-	-	45,000	6
Treasury Notes Philippines Govt. 17APRIL2019	100	-	-	90,000	12
Treasury Notes Philippines Govt. 8MARCH2023	100	55,000	8	-	-
Treasury Notes Philippines Govt. 4DECEMBER2022	100	90,000	13	-	-
Total investments in government bonds		**145,000**	**21**	**135,000**	**18**

2.4.3 Details of investments in liquid mutual fund units and fixed maturity plans

The balances held in liquid mutual fund units as at March 31, 2020 and March 31, 2019 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Liquid Fund -Growth -Direct Plan	1,690,522	54	1,332,847	40
Aditya Birla Sun life Corporate Bond Fund -Growth -Direct Plan	26,697,315	211	19,600,407	141
Aditya Birla Sun life Money Manager Fund -Growth -Direct Plan	-	-	7,975,385	201
Aditya Birla Sun Life Cash Manager - Growth	168,237	8	111,344	5
Axis Treasury Advantage Fund -Growth	865,146	201	-	-
HDFC Overnight Fund Direct Plan- Growth Option	1,010,508	300	-	-
HDFC Money market Fund- Direct Plan- Growth Option	-	-	772,637	303
HDFC Liquid fund-Direct Plan growth option	555,555	217	68,035	25
ICICI Prudential Liquid Fund –Direct plan –Growth	7,930,594	233	-	-
ICICI Prudential Savings Fund- Direct Plan-Growth	-	-	8,340,260	301
IDFC Corporate Bond - Fund Direct Plan	11,902,495	17	131,484,437	169
Kotak Liquid Fund- Direct Plan- Growth Option	747,509	300	-	-
Kotak Money Market Fund- Direct Plan- Growth Option	-	-	973,751	301
SBI Overnight Fund -Direct Plan -Growth	922,151	300	-	-
SBI Premier Liquid Fund -Direct Plan -Growth	331,803	103	1,025,678	300
HDFC Corporate Bond Fund -Growth -Direct Plan	-	-	-	-
IDFC Banking and PSU fund Direct Plan- Growth Option	88,849,927	160	-	-
Total investments in liquid mutual fund units	**14,16,71,762**	**2,104**	**171,684,781**	**1,786**

The balances held in fixed maturity plans as at March 31, 2020 and March 31, 2019 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Fixed Term Plan- Series OD 1145 Days- GR Direct	6,00,00,000	74	60,000,000	70
Aditya Birla Sun Life Fixed Term Plan- Series OE 1153 Days- GR Direct	2,50,00,000	31	25,000,000	29
HDFC FMP 1155D Feb 2017- Direct Growth- Series 37	3,80,00,000	47	38,000,000	44
HDFC FMP 1169D Feb 2017- Direct- Quarterly Dividend- Series 37	4,50,00,000	45	45,000,000	45
ICICI FMP Series 80-1194 D Plan F Div	5,50,00,000	68	55,000,000	63
ICICI Prudential Fixed Maturity Plan Series 80- 1187 Days Plan G Direct Plan	4,20,00,000	52	42,000,000	49
ICICI Prudential Fixed Maturity Plan Series 80- 1253 Days Plan J Direct Plan	3,00,00,000	37	30,000,000	35
IDFC Fixed Term Plan Series 129 Direct Plan- Growth 1147 Days	1,00,00,000	12	10,000,000	12
IDFC Fixed Term Plan Series 131 Direct Plan- Growth 1139 Days	1,50,00,000	19	15,000,000	17
Kotak FMP Series 199 Direct- Growth	3,50,00,000	44	35,000,000	40
Nippon India Fixed Horizon Fund-XXXII Series 8-Dividend Plan	5,00,00,000	60	50,000,000	54
Total investments in fixed maturity plan securities	**40,50,00,000**	**489**	**405,000,000**	**458**

2.4.4 Details of investments in non convertible debentures, government securities, certificates of deposit and commercial paper

The balances held in non convertible debenture units as at March 31, 2020 and March 31, 2019 is as follows:

(In ₹ crore, except as otherwise stated)

Particulars		As at March 31, 2020		As at March 31, 2019	
	Face Value ₹	Units	Amount	Units	Amount
7.03% LIC Housing Finance Ltd 28DEC2021	10,00,000/-	2,500	254	-	-
7.24% LIC Housing Finance Ltd 23AUG2021	10,00,000/-	2,500	259	-	-
7.48% Housing Development Finance Corporation Ltd 18NOV2019	1,00,00,000/-	-	-	50	51
7.58% LIC Housing Finance Ltd 28FEB2020	10,00,000/-	-	-	1,000	101
7.58% LIC Housing Finance Ltd 11JUN2020	10,00,000/-	500	52	500	51
7.59% LIC Housing Finance Ltd 14OCT2021	10,00,000/-	3,000	312	3,000	306
7.75% LIC Housing Finance Ltd 27AUG2021	10,00,000/-	1,250	131	1,250	127
7.78% Housing Development Finance Corporation Ltd 24MAR2020	1,00,00,000/-	-	-	100	100
7.79% LIC Housing Finance Ltd 19JUN2020	10,00,000/-	500	53	500	53
7.80% Housing Development Finance Corporation Ltd 11NOV2019	1,00,00,000/-	-	-	150	154
7.81% LIC Housing Finance Ltd 27APR2020	10,00,000/-	2,000	215	2,000	214
7.95% Housing Development Finance Corporation Ltd 23SEP2019	1,00,00,000/-	-	-	50	52
8.02% LIC Housing Finance Ltd 18FEB2020	10,00,000/-	-	-	500	51
8.26% Housing Development Finance Corporation Ltd 12AUG2019	1,00,00,000/-	-	-	100	105
8.37% LIC Housing Finance Ltd 03OCT2019	10,00,000/-	-	-	2,000	216
8.37% LIC Housing Finance Ltd 10MAY2021	10,00,000/-	500	54	500	54
8.47% LIC Housing Finance Ltd 21JAN2020	10,00,000/-	-	-	500	51
8.49% Housing Development Finance Corporation Ltd 27APR2020	5,00,000/-	900	49	900	49
8.50% Housing Development Finance Corporation Ltd 31AUG2020	1,00,00,000/-	100	106	100	105
8.50% LIC Housing Finance Ltd 20JUN2022	10,00,000/-	2,950	323	-	-
8.58% Housing Development Finance Corporation Ltd 22MAR2022	10,00,000/-	1,250	129	-	-
8.59% Housing Development Finance Corporation Ltd 14JUN2019	1,00,00,000/-	-	-	50	51
8.60% LIC Housing Finance Ltd 22JUL2020	10,00,000/-	1,000	107	1,000	107
8.60% LIC Housing Finance Ltd 29JUL2020	10,00,000/-	1,750	187	1,750	186
8.61% LIC Housing Finance Ltd 11DEC2019	10,00,000/-	-	-	1,000	103
8.72% Housing Development Finance Corporation Ltd 15APR2019	1,00,00,000/-	-	-	75	75
8.75% Housing Development Finance Corporation Ltd 13JAN2020	5,00,000/-	-	-	5,000	256
8.75% LIC Housing Finance Ltd 14JAN2020	10,00,000/-	-	-	1,070	110
8.75% LIC Housing Finance Ltd 21DEC2020	10,00,000/-	1,000	101	1,000	101
8.80% LIC Housing Finance Ltd 24Dec2020	10,00,000/-	650	66	650	67
8.97% LIC Housing Finance Ltd 29OCT2019	10,00,000/-	-	-	500	52
9.45% Housing Development Finance Corporation Ltd 21AUG2019	10,00,000/-	-	-	3,000	318
Total investments in non-convertible debentures		**22,350**	**2,398**	**28,295**	**3,266**

The balances held in government securities as at March 31, 2020 and March 31, 2019 are as follows:

(In ₹ crore, except as otherwise stated)

Particulars		As at March 31, 2020		As at March 31, 2019	
	Face Value ₹	Units	Amount	Units	Amount
7.17% Government of India 8JAN2028	10,000/-	1,25,000	132	675,000	672
7.26% Government of India 14JAN2029	10,000/-	5,00,000	532	-	-
7.95% Government of India 28AUG2032	10,000/-	-	-	50,000	52
Total investments in government securities		**6,25,000**	**664**	**725,000**	**724**

The balances held in certificates of deposit as at March 31, 2020 and March 31, 2019 are as follows:

(In ₹ crore, except as otherwise stated)

Particulars		As at March 31, 2020		As at March 31, 2019	
	Face Value ₹	Units	Amount	Units	Amount
Axis Bank	1,00,000/-	25,000	240	90,000	872
Bank of Baroda	1,00,000/-	65,000	638	-	-
ICICI Bank	1,00,000/-	-	-	75,000	738
Kotak Bank	1,00,000/-	-	-	77,000	747
Oriental Bank of Commerce	1,00,000/-	25,000	248	-	-
Vijaya Bank	1,00,000/-	-	-	12,500	125
Total investments in certificates of deposit		**1,15,000**	**1,126**	**254,500**	**2,482**

The balances held in commercial paper as at March 31, 2019 are as follows:

(In ₹ crore, except as otherwise stated)

Particulars		As at March 31, 2019	
	Face Value ₹	Units	Amount
LIC	5,00,000/-	10,000	495
Total investments in commercial paper		**10,000**	**495**

2.5 LOANS

(In ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Unsecured, considered good		
Other loans		
Loans to employees	21	19
	21	**19**
Unsecured, considered doubtful		
Other loans		
Loans to employees	30	24
	51	**43**
Less: Allowance for doubtful loans to employees	30	24
Total non-current loans	**21**	**19**
Current		
Unsecured, considered good		
Other loans		
Loans to employees	239	241
Total current loans	**239**	**241**
Total loans	**260**	**260**

2.6 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Security deposits [(1)]	50	52
Rental deposits [(1)]	221	193
Net investment in sublease of right of use asset (refer to note 2.19) [(1)]	398	-
Restricted deposits[(1)*]	55	67
Others [(1)]	13	-
Total non-current other financial assets	**737**	**312**
Current		
Security deposits [(1)]	8	4
Rental deposits [(1)]	27	15
Restricted deposits [(1)*]	1,795	1,671
Unbilled revenues [(1)#]	2,796	2,093
Interest accrued but not due [(1)]	474	905
Foreign currency forward and options contracts [(2) (3)]	62	336
Escrow and other deposits pertaining to buyback (Refer note 2.11)[(1)]	-	257
Net investment in sublease of right of use asset (refer to note 2.19) [(1)]	35	-
Others [(1)]	260	224
Total current other financial assets	**5,457**	**5,505**
Total other financial assets	**6,194**	**5,817**
[(1)] Financial assets carried at amortized cost	6,132	5,481
[(2)] Financial assets carried at fair value through other comprehensive income	9	37
[(3)] Financial assets carried at fair value through profit or loss	53	299

[*] Restricted deposits represent deposits with financial institutions to settle employee-related obligations as and when they arise during the normal course of business.
Classified as financial asset as right to consideration is unconditional and is due only after a passage of time.

2.7 TRADE RECEIVABLES

(In ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Unsecured		
Considered good [(1)]	18,487	14,827
Considered doubtful	557	483
	19,044	15,310
Less: Allowance for credit loss	557	483
Total trade receivables	**18,487**	**14,827**
[(1)] Includes dues from companies where directors are interested	-	-

2.8 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
In current and deposit accounts	12,288	14,197
Cash on hand	-	-
Others		
Deposits with financial institutions	6,361	5,371
Total cash and cash equivalents	**18,649**	**19,568**
Balances with banks in unpaid dividend accounts	30	29
Deposit with more than 12 months maturity	6,895	6,582
Balances with banks held as margin money deposits against guarantees	71	114

Cash and cash equivalents as at March 31, 2020 and March 31, 2019 include restricted cash and bank balances of ₹396 crore and ₹358 crore, respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the company and bank balances held as margin money deposits against guarantees.

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

2.9 OTHER ASSETS

(In ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Capital advances	310	489
Advances other than capital advances		
Others		
Withholding taxes and others	777	929
Prepaid gratuity (*refer note no. 2.20.1*)	151	42
Prepaid expenses	87	162
Deferred Contract Cost	101	277
Advance for business acquisition *(refer note no. 2.1.1)*	-	206
Total Non-Current other assets	**1,426**	**2,105**
Current		
Advances other than capital advances		
Payment to vendors for supply of goods	145	109
Others		
Unbilled revenues [#]	4,325	3,281
Withholding taxes and others	1,583	1,488
Prepaid expenses	968	751
Deferred Contract Cost	33	58
Other receivables	28	-
Total Current other assets	**7,082**	**5,687**
Total other assets	**8,508**	**7,792**

Withholding taxes and others primarily consist of input tax credits and Cenvat recoverable from Government of India. As at March 31 2020, Cenvat recoverable includes ₹372 crore which are pending adjudication. The Group expects these amounts to be sustainable on adjudication and recoverable on final resolution.

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

2.10 FINANCIAL INSTRUMENTS

Accounting policy

2.10.1 Initial recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

2.10.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order 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.

(ii) Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it 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. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration and financial liability under option arrangements recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

b. Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(i) Financial assets or financial liabilities, at fair value through profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the consolidated Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

(ii) Cash flow hedge

The Group designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the consolidated Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the Consolidated Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the Consolidated Statement of Profit and Loss.

2.10.3 Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.10.4 Fair value of financial instruments

In determining the fair value of its financial instruments, the Group 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, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Refer to table 'Financial instruments by category' below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximates fair value due to the short maturity of those instruments.

2.10.5 Impairment

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets and unbilled revenue which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenues with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs 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 ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in Consolidated Statement of Profit and Loss.

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2020 are as follows:

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value	
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Assets:								
Cash and cash equivalents (Refer Note no. 2.8)	18,649	-	-	-	-	18,649	18,649	
Investments (Refer Note no. 2.4)								
Equity and preference securities	-	-	9	102	-	111	111	
Tax-free bonds and government bonds	1,846	-	-	-	-	1,846	2,144	(1)
Liquid mutual fund units	-	-	2,104	-	-	2,104	2,104	
Non convertible debentures	-	-	-	-	2,398	2,398	2,398	
Government securities	-	-	-	-	664	664	664	
Certificates of deposit	-	-	-	-	1,126	1,126	1,126	
Other investments	-	-	54	-	-	54	54	
Fixed maturity plan securities	-	-	489	-	-	489	489	
Trade receivables (Refer Note no. 2.7)	18,487	-	-	-	-	18,487	18,487	
Loans (Refer Note no. 2.5)	260	-	-	-	-	260	260	
Other financials assets (Refer Note no. 2.6)[3]	6,132	-	53	-	9	6,194	6,112	(2)
Total	**45,374**	**-**	**2,709**	**102**	**4,197**	**52,382**	**52,598**	
Liabilities:								
Trade payables	2,852	-	-	-	-	2,852	2,852	
Lease liabilities	4,633	-	-	-	-	4,633	4,633	
Financial Liability under option arrangements (refer to note 2.1.1)	-	-	621	-	-	621	621	
Other financial liabilities (Refer Note no. 2.12)	7,966	-	811	-	20	8,797	8,797	
Total	**15,451**	**-**	**1,432**	**-**	**20**	**16,903**	**16,903**	

(1) On account of fair value changes including interest accrued

(2) Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹82 crore

(3) Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones

The carrying value and fair value of financial instruments by categories as at March 31, 2019 were as follows:

(In ₹ crore)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value	
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Assets:								
Cash and cash equivalents (Refer Note no. 2.8)	19,568	-	-	-	-	19,568	19,568	
Investments (Refer Note no. 2.4)								
Equity and preference securities	-	-	23	100	-	123	123	
Tax-free bonds and government bonds	1,911	-	-	-	-	1,911	2,125	(1)
Liquid mutual fund units	-	-	1,786	-	-	1,786	1,786	
Non convertible debentures	-	-	-	-	3,266	3,266	3,266	
Government securities					724	724	724	
Commercial paper	-	-	-	-	495	495	495	
Certificates of deposit	-	-	-	-	2,482	2,482	2,482	
Other investments	-	-	16	-	-	16	16	
Fixed maturity plan securities	-	-	458	-	-	458	458	
Trade receivables (Refer Note no. 2.7)	14,827	-	-	-	-	14,827	14,827	
Loans (Refer Note no. 2.5)	260	-	-	-	-	260	260	
Other financials assets (Refer Note no. 2.6)	5,481	-	299	-	37	5,817	5,733	(2)
Total	**42,047**	**-**	**2,582**	**100**	**7,004**	**51,733**	**51,863**	
Liabilities:								
Trade payables	1,655	-	-	-	-	1,655	1,655	
Other financial liabilities (Refer Note no. 2.12)	8,731	-	205	-	-	8,936	8,936	
Total	**10,386**	**-**	**205**	**-**	**-**	**10,591**	**10,591**	

(1) *On account of fair value changes including interest accrued*

(2) *Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹84 crore*

(3) *Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones*

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2020:

(In ₹ crore)

Particulars	As at March 31, 2020	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds (Refer Note no. 2.4)	2,104	2,104	-	-
Investments in tax-free bonds (Refer Note no. 2.4)	2,122	1,960	162	-
Investments in government bonds (Refer Note no. 2.4)	22	22	-	-
Investments in equity instruments (Refer Note no. 2.4)	1	-	-	1
Investments in preference securities (Refer Note no. 2.4)	110	-	-	110
Investments in non convertible debentures (Refer Note no. 2.4)	2,398	2,032	366	-
Investments in certificates of deposit (Refer Note no. 2.4)	1,126	-	1,126	-
Investment in Government securities (Refer Note no. 2.4)	664	664	-	-
Investments in fixed maturity plan securities (Refer Note no. 2.4)	489	-	489	-
Other investments (Refer Note no. 2.4)	54	-	-	54
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer Note no. 2.6)	62	-	62	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer Note no. 2.12)	491	-	491	-
Financial liability under option arrangements (refer to note 2.1.1)	621	-	-	621
Liability towards contingent consideration (Refer note no. 2.12)(1)	340	-	-	340

(1) *Discount rate pertaining to contingent consideration ranges from 8% to 14% .*

During the year ended March 31, 2020, tax free bonds and non-convertible debentures of ₹662 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price and ₹50 crore was transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

The fair value hierarchy of assets and liabilities as at March 31, 2019 was as follows:

(In ₹ crore)

Particulars	As at March 31, 2019	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds (Refer Note no. 2.4)	1,786	1,786	-	-
Investments in tax free bonds (Refer Note no. 2.4)	2,107	1,836	271	-
Investments in government bonds (Refer Note no. 2.4)	18	18	-	-
Investments in equity instruments (Refer Note no. 2.4)	11	-	-	11
Investments in preference securities (Refer Note no. 2.4)	112	-	-	112
Investments in non convertible debentures (Refer Note no. 2.4)	3,266	1,780	1,486	-
Investments in certificates of deposit (Refer Note no. 2.4)	2,482	-	2,482	-
Investment in Government securities (Refer Note no. 2.4)	724	724	-	-
Investments in commercial paper (Refer Note no. 2.4)	495	-	495	-
Investments in fixed maturity plan securities (Refer Note no. 2.4)	458	-	458	-
Other investments (Refer Note no. 2.4)	16	-	-	16
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer Note no. 2.6)	336	-	336	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer Note no. 2.12)	15	-	15	-
Liability towards contingent consideration (Refer note no. 2.12)[(1)]	190	-	-	190

[(1)] *Discount rate pertaining to contingent consideration ranges from 9% to 16% .*

During the year ended March 31, 2019, tax free bonds and non-convertible debentures of ₹336 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price and ₹746 crore was transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets and liabilities does not have a significant impact in its value.

Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Market risk

The Group operates internationally and a major portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales and services in the United States and elsewhere, and purchases from overseas suppliers in various foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group’s operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

The following table analyses the foreign currency risk from monetary assets and liabilities as at March 31, 2020:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	1,228	507	163	208	1,242	3,348
Trade receivables	11,565	2,331	1,064	652	2,200	17,812
Other financial assets , loans and other current assets	6,125	1,166	381	330	761	8,763
Trade payables	(764)	(157)	(103)	(74)	(1,453)	(2,551)
Lease liabilities	(1,681)	(988)	(355)	(59)	(496)	(3,579)
Other financial liabilities	(5,086)	(1,013)	(197)	(472)	(1,560)	(8,328)
Net assets / (liabilities)	**11,387**	**1,846**	**953**	**585**	**694**	**15,465**

The following table analyses the foreign currency risk from monetary assets and liabilities as at March 31, 2019:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	1,640	266	110	213	1,113	3,342
Trade receivables	9,950	1,844	1,025	527	971	14,317
Other financial assets , loans and other current assets	4,189	873	285	310	748	6,405
Trade payables	(708)	(128)	(139)	(80)	(107)	(1,162)
Other financial liabilities	(4,201)	(560)	(217)	(382)	(759)	(6,119)
Net assets / (liabilities)	**10,870**	**2,295**	**1,064**	**588**	**1,966**	**16,783**

Sensitivity analysis between Indian rupee and U.S. Dollar

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Impact on the Group's incremental operating margins	0.44%	0.45%	0.45%	0.47%

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The details in respect of outstanding foreign currency forward and option contracts are as follows:

Particulars	As at March 31, 2020		As at March 31, 2019	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Option Contracts				
In Australian dollars	110	507	120	588
In Euro	120	993	135	1,049
In United Kingdom Pound Sterling	21	196	25	226
Other derivatives				
Forward contracts				
In Australian dollars	2	9	8	37
In Brazilian Real	57	102	-	-
In Canadian dollars	21	117	13	68
In Chinese Yuan	210	226	-	-
In Euro	191	1,581	176	1,367
In Japanese Yen	-	-	550	34
In New Zealand dollars	16	72	16	75
In Norwegian Krone	40	29	40	32
In Philippine Peso	-	-	-	-
In Poland Zloty	92	165	-	-
In Romanian Leu	20	33	-	-
In Singapore dollars	177	954	140	716
In South African Rand	-	-	-	-
In Swedish Krona	50	37	50	37
In Swiss Franc	1	9	25	172
In U.S. dollars	1,048	7,925	955	6,608
In United Kingdom Pound Sterling	50	469	80	724
Option Contracts				
In Australian dollars	-	-	10	49
In Canadian Dollars	-	-	13	69
In Euro	-	-	60	466
In Swiss Franc	-	-	5	35
In U.S. dollars	555	4,196	433	2,995
In United Kingdom Pound Sterling	-	-	10	91
Total forwards and options contracts		**17,620**		**15,438**

The foreign exchange forward and option contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as at the Balance Sheet date:

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Not later than one month	5,687	4,432
Later than one month and not later than three months	8,727	6,921
Later than three months and not later than one year	3,206	4,085
	17,620	**15,438**

During the year ended March 31, 2020, the Group has designated certain foreign exchange forward and option contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedges as of March 31, 2020 are expected to occur and reclassified to the consolidated statement of profit and loss within 3 months.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of its forecasted cash flows. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the statement of profit or loss at the time of the hedge relationship rebalancing.

The following table provides reconciliation of cash flow hedge reserve for the three months and year ended March 31, 2020 and March 31, 2019: *(In ₹ crore)*

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2020	**2019**	**2020**	**2019**
Gain/(Loss)				
Balance at the beginning of the period	(15)	36	21	-
Gain / (Loss) recognised in other comprehensive income during the period	30	25	25	118
Amount reclassified to profit or loss during the period	(32)	(45)	(73)	(90)
Tax impact on above	2	5	12	(7)
Balance at the end of the period	**(15)**	**21**	**(15)**	**21**

The Group offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The quantitative information about offsetting of derivative financial assets and derivative financial liabilities is as follows:

(In ₹ crore)

Particulars	**As at**		**As at**	
	March 31, 2020		**March 31, 2019**	
	Derivative financial asset	**Derivative financial liability**	**Derivative financial asset**	**Derivative financial liability**
Gross amount of recognized financial asset/liability	86	(515)	338	(17)
Amount set off	(24)	24	(2)	2
Net amount presented in Balance Sheet	**62**	**(491)**	**336**	**(15)**

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 18,487 crore and ₹14,827 crore as at March 31, 2020 and March 31, 2019, respectively and unbilled revenues amounting to ₹7,121 crore and ₹5,374 crore as at March 31, 2020 and March 31, 2019, respectively. Trade receivables and unbilled revenues are typically unsecured and are derived from revenues from customers primarily located in the United States of America. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. This matrix takes into account available external and internal credit risk information such as CDS spread quotes, ratings from international credit rating agencies and the Group's historical collection experience for customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and there is no single customer contributing more than 10% of outstanding trade receivables and unbilled revenues.

The following table gives details in respect of percentage of revenues generated from top customer and top ten customers:

(In %)

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2020	**2019**	**2020**	**2019**
Revenue from top customer	3.1	3.3	3.1	3.6
Revenue from top 10 customers	18.7	19.7	19.2	19.0

Credit risk exposure

The allowance for lifetime ECL on customer balances for three months and year ended March 31, 2020 was ₹72 crore and ₹161 crore respectively and was ₹15 crore and ₹239 crore for the three months and year ended March 31, 2019, respectively

The movement in credit loss allowance on customer balance is as follows:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Balance at the beginning	653	615	627	449
Impairment loss recognized	72	15	161	239
Write-offs	(28)	-	(100)	(73)
Translation differences	8	(3)	17	12
Balance at the end	**705**	**627**	**705**	**627**

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no realistic prospect of recovery.

Credit exposure

The Group's credit period generally ranges from 30-60 days.

(In ₹crore except otherwise stated)

Particulars	As at	
	March 31, 2020	March 31, 2019
Trade receivables	18,487	14,827
Unbilled revenues	7,121	5,374

Days sales outstanding was 69 days and 66 days as of March 31, 2020 and March 31, 2019, respectively

Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with banks and financial institutions with high ratings assigned by international and domestic credit rating agencies. Ratings are monitored periodically and the Group has considered the latest available credit ratings in view of COVID – 19 as at the date of approval of these consolidated financial statements.

Majority of investments of the Group are fair valued based on Level 1 or Level 2 inputs. These investments primarily include investment in liquid mutual fund units, fixed maturity plan securities, certificates of deposit, commercial papers, quoted bonds issued by government and quasi-government organizations and non convertible debentures. The Group invests after considering counterparty risks based on multiple criteria including Tier I Capital, Capital Adequacy Ratio, Credit Rating, Profitability, NPA levels and Deposit base of banks and financial institutions. These risks are monitored regularly as per its risk management program.

Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time.

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group has no outstanding borrowings. The Group believes that the working capital is sufficient to meet its current requirements.

As at March 31, 2020, the Group had a working capital of ₹33,720 crore including cash and cash equivalents of ₹18,649 crore and current investments of ₹4,655 crore. As at March 31, 2019, the Group had a working capital of ₹34,240 crore including cash and cash equivalents of ₹19,568 crore and current investments of ₹6,627 crore.

As at March 31, 2020 and March 31, 2019, the outstanding compensated absences were ₹1,870 crore and ₹1,663 crore, respectively, which have been substantially funded. Accordingly no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2020:

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	2,852	-	-	-	2,852
Other financial liabilities (excluding liability towards contingent consideration) (Refer Note no. 2.12)	7,939	22	5	-	7,966
Financial liability under option arrangements	-	-	621	-	621
Liability towards contingent consideration on an undiscounted basis (Refer Note no. 2.12)	225	75	67	-	367

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019:

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	1,655	-	-	-	1,655
Other financial liabilities (excluding liability towards contingent consideration) (Refer Note no. 2.12)	8,716	11	4	-	8,731
Liability towards contingent consideration on an undiscounted basis (Refer Note no. 2.12)	114	83	-	36	233

2.11 EQUITY

Accounting policy

Ordinary Shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buyback are recognized as a deduction from equity, net of any tax effects.

Treasury Shares
When any entity within the Group purchases the company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/ from Securities premium.

In December 2017, Ind AS 12 – Income Taxes was amended which clarified that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. On April 1, 2019, the Group adopted these amendments and there was no impact of these amendments on the Company's Consolidated financial statements.

Description of reserves

Retained earnings
Retained earnings represent the amount of accumulated earnings of the Group.

Securities premium
The amount received in excess of the par value has been classified as securities premium.

Share Options Outstanding Account
The Share options outstanding account is used to record the fair value of equity-settled share based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees.

Other Reserves
The Special Economic Zone Re-investment reserve has been created out of the profit of the eligible SEZ unit in terms of the provisions of Sec 10AA (1)(ii) of Income Tax Act, 1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in terms of the provisions of the Sec 10AA (2) of the Income Tax Act, 1961.

Capital Redemption Reserve
In accordance with section 69 of the Indian Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

Other components of equity
Other components of equity consist of currency translation, remeasurement of net defined benefit liability / asset, equity instruments fair valued through other comprehensive income, changes on fair valuation of investments and changes in fair value of derivatives designated as cash flow hedges, net of taxes.

Currency translation reserve
The exchange differences arising from the translation of financial statements of foreign subsidiaries with functional currency other than Indian rupees is recognised in other comprehensive income and is presented within equity.

Cash flow hedge reserve
When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the consolidated Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

SHARE CAPITAL *(In ₹ crore, except as otherwise stated)*

Particulars	**As at**	
	March 31, 2020	**March 31, 2019**
Authorized		
Equity shares, ₹5 par value		
4,80,00,00,000 (4,80,00,00,000) equity shares	2,400	2,400
Issued, Subscribed and Paid-Up		
Equity shares, ₹5 par value[(1)]	2,122	2,170
4,24,07,53,210 (4,33,59,54,462) equity shares fully paid-up[(2)]		
	2,122	**2,170**

Note: Forfeited shares amounted to ₹1,500 (₹1,500)

(1) Refer note no. 2.21 for details of basic and diluted shares

(2) Net of treasury shares 1,82,39,356 (2,03,24,982)

The Company has only one class of shares referred to as equity shares having a par value of ₹5/-. Each holder of equity shares is entitled to one vote per share. The equity shares represented by American Depositary Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts. However, no such preferential amounts exist currently, other than the amounts held by irrevocable controlled trusts. For irrevocable controlled trusts, the corpus would be settled in favour of the beneficiaries.
For details of shares reserved for issue under the employee stock option plan of the Company refer to the note below

In the period of five years immediately preceding March 31, 2020:

Bonus Issue

The Company has allotted 2,18,41,91,490 , 1,14,84,72,332 and 57,42,36,166 fully paid-up shares of face value ₹5/- each during the quarter ended September 30, 2018 , June 30, 2015 and December 31, 2014, respectively pursuant to bonus issue approved by the shareholders through postal ballot. The bonus shares were issued by capitalization of profits transferred from general reserve. Bonus share of one equity share for every equity share held, and a bonus issue, viz., a stock dividend of one American Depositary Share (ADS) for every ADS held, respectively, has been allotted. Consequently, the ratio of equity shares underlying the ADSs held by an American Depositary Receipt holder remains unchanged. Options granted under the stock option plan have been adjusted for bonus shares wherever appropriate.

The bonus shares once allotted shall rank pari passu in all respects and carry the same rights as the existing equity shareholders and shall be entitled to participate in full, in any dividend and other corporate action, recommended and declared after the new equity shares are allotted.

Update on capital allocation policy and buyback

In line with the capital allocation policy announced in April 2018, the Board, in its meeting held on January 11, 2019, approved the following :

(a) Declared a special dividend of ₹4/- per equity share;

(b) Recommended buyback of Equity Shares from the open market route through Indian stock exchanges of up to ₹8,260 crore (Maximum Buyback Size) at a price not exceeding ₹800 per share (Maximum Buyback Price) which would comprise approximately 2.36% of the paid-up equity share capital of the Company, subject to shareholders' approval by way of Postal Ballot.

The shareholders approved the proposal of buyback of equity shares recommended by its Board of Directors in its meeting held on January 11, 2019 through the postal ballot that concluded on March 12, 2019.

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange commenced on March 20, 2019 and was completed on August 26, 2019 . During this buyback period the Company had purchased and extinguished a total of 110,519,266 equity shares from the stock exchange at an average buy back price of ₹747/- per equity share comprising 2.53% of the pre buyback paid-up equity share capital of the Company. The buyback resulted in a cash outflow of ₹8,260 crore (excluding transaction costs). The Company funded the buyback from its free reserves.

In accordance with section 69 of the Companies Act, 2013, as at March 31, 2020 the Company has created 'Capital Redemption Reserve' of ₹55 crore equal to the nominal value of the above shares bought back as an appropriation from general reserve.

After the execution of the above buy back, payment of special dividend (including dividend distribution tax) of ₹2,107 crore in January 2019 and payment of special dividend (including dividend distribution tax) of ₹2,633 crore in June 2018, the Company has completed the distribution of ₹13,000 crore, which was announced as part of its capital allocation policy in April 2018.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As at March 31, 2020, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

The Company declares and pays dividends in Indian rupees. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

Effective fiscal 2018 the Company's policy was to pay up to 70% of the free cash flow annually by way of dividend and/or buyback.

Effective from fiscal 2020, the company expects to return approximately 85% of the free cash flow cumulatively over a 5-year period through a combination of semi-annual dividends and/or share buyback and/or special dividends, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS. Dividend and buyback include applicable taxes.

Amount of per share dividend recognized as distribution to equity shareholders:

(in ₹)

Particulars	Quarter ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Final dividend for fiscal 2018*	-	-	-	10.25
Special dividend for fiscal 2018*	-	-	-	5.00
Interim dividend for fiscal 2019	-	-	-	7.00
Special dividend for fiscal 2019	-	4.00	-	4.00
Final dividend for fiscal 2019	-	-	10.50	-
Interim dividend for fiscal 2020	-	-	8.00	-

**Dividend per share declared previously, retrospectively adjusted for September 2018 bonus issue*

During the year ended March 31, 2020 on account of the final dividend for fiscal 2019 and interim dividend for fiscal 2020 the Company has incurred a net cash outflow of ₹9,517 crore (excluding dividend paid on treasury shares) inclusive of dividend distribution tax.

The Board of Directors in their meeting on April 20, 2020 recommended a final dividend of ₹9.50/- per equity share for the financial year ended March 31, 2020. This payment is subject to the approval of shareholders in the Annual General Meeting of the Company. In view of COVID - 19 the Company is working on an Annual General Meeting date which will be announced by the Company in due course. This final dividend if approved by shareholders would result in a net cash outflow of approximately ₹4,029 crore (excluding dividend paid on treasury shares).

The details of shareholder holding more than 5% shares as at March 31, 2020 and March 31, 2019 are as follows :

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% held	umber of shares	% held
Deutsche Bank Trust Company Americas (Depository of ADR's - legal ownership)	73,93,01,182	17.36	74,62,54,648	17.11
Life Insurance Corporation of India	28,20,08,863	6.62	25,43,32,376	5.83

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2020 and March 31, 2019 are as follows:

(In ₹ crore, except as stated otherwise)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Shares	Amount	Shares	Amount
As at the beginning of the period	433,59,54,462	2,170	217,33,12,301	1,088
Add: Shares issued on exercise of employee stock options - before bonus issue	-	-	3,92,528	-
Add: Bonus shares issued	-	-	2,173,704,829	1,088
Add: Shares issued on exercise of employee stock options - after bonus issue	2,666,014	1	1,196,804	-
Less: Shares bought back [(1)(2)]	97,867,266	49	12,652,000	6
As at the end of the period	**424,07,53,210**	**2,122**	**433,59,54,462**	**2,170**

[(1)] Includes 18,18,000 shares which have been purchased on account of buyback during the three months ended March 31, 2019 and have not been extinguished as of March 31, 2019

[(2)] Includes 36,36,000 shares which have been purchased on account of buyback during the three months ended March 31, 2019 but have not been settled and therefore not extinguished as of March 31, 2019

Employee Stock Option Plan (ESOP):

Accounting policy

The Group recognizes compensation expense relating to share-based payments in net profit using fair value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

Infosys Expanded Stock Ownership Program 2019 (the 2019 Plan) :

On June 22, 2019 pursuant to approval by the shareholders in the Annual General Meeting , the Board has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company and its subsidiaries under the 2019 Plan. The maximum number of shares under the 2019 plan shall not exceed 50,000,000 equity shares. To implement the 2019 Plan, upto 45,000,000 equity shares may be issued by way of secondary acquisition of shares by Infosys Expanded Stock Ownership Trust. The RSUs granted under the 2019 plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator (Nomination and Remuneration Committee). The performance parameters will be based on a combination of relative Total Shareholder Return (TSR) against selected industry peers and certain broader market domestic and global indices and operating performance metrics of the company as decided by administrator. Each of the above performance parameters will be distinct for the purposes of calculation of quantity of shares to vest based on performance. These instruments will generally vest between a minimum of 1 to maximum of 3 years from the grant date.

2015 Stock Incentive Compensation Plan (the 2015 Plan) :

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board has been authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (the 2015 Plan). The maximum number of shares under the 2015 plan shall not exceed 24,038,883 equity shares (this includes 11,223,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). The Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

The equity settled and cash settled RSUs and stock options would vest generally over a period of 4 years and shall be exercisable within the period as approved by the Nomination and Remuneration Committee (NARC). The exercise price of the RSUs will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant.

Consequent to the September, 2018 bonus issue, all the then outstanding options granted under the stock option plan have been adjusted for bonus shares. Unless otherwise stated, all the prior period share numbers, share prices and weighted average exercise prices in this note have been adjusted to give effect to the September 2018 bonus issue.

Controlled trust holds 18,239,356 and 20,324,982 shares as at March 31, 2020 and March 31, 2019, respectively under the 2015 plan. Out of these shares 200,000 equity shares each have been earmarked for welfare activities of the employees as at March 31, 2020 and March 31, 2019.

The following is the summary of grants during the three months and year ended March 31, 2020 and March 31, 2019:

Particulars	2019 Plan				2015 Plan			
	Three months ended March 31,		Year ended March 31,		Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019	2020	2019	2020	2019*
Equity Settled RSU								
KMPs	169,000	-	356,793	-	295,800	458,330	507,896	675,530
Employees other than KMP	1,734,500	-	1,734,500	-	1,370,250	1,878,050	3,346,280	3,665,170
	1,903,500	**-**	**2,091,293**	**-**	**1,666,050**	**2,336,380**	**3,854,176**	**4,340,700**
Cash settled RSU								
KMPs	-	-	-	-	180,400	-	180,400	-
Employees other than KMP	-	-	-	-	377,260	21,500	475,740	74,090
	-	-	-	-	**557,660**	**21,500**	**656,140**	**74,090**
	1,903,500	**-**	**2,091,293**	**-**	**2,223,710**	**2,357,880**	**4,510,316**	**4,414,790**

**Information is adjusted for September 2018 bonus issue.*

Notes on grants to KMP:

CEO & MD

Under the 2015 plan:

In accordance with the employee agreement which has been approved by the shareholders, the CEO is eligible to receive an annual grant of RSUs of fair value ₹3.25 crore which will vest overtime in three equal annual installments upon the completion of each year of service from the respective grant date. Accordingly, annual time-based grant of 41,782 RSUs was made effective February 27, 2020 for fiscal 2020. Though the annual time based grants for the remaining employment term ending on March 31, 2023 have not been granted as of March 31, 2020, since the service commencement date precedes the grant date, the company has recorded employment stock compensation expense in accordance with Ind AS 102, Share based payments.

The Board, on April 12, 2019, based on the recommendations of the Nomination and Remuneration Committee, approved the performance-based grant of RSUs amounting to ₹13 crore for the financial year 2020 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 177,887 performance based RSU's were granted effective May 2, 2019.

In accordance with the shareholders approval in the Annual General meeting held on June 22, 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, approved to amend the vesting period of the annual performance equity grant from three years to one year. Accordingly the vesting period of 217,200 (adjusted for September 2018 bonus issue) performance based RSUs granted effective May 2, 2018 and 177,887 performance based RSU's granted effective May 2,2019 have been amended to one year.

Under the 2019 plan:

In accordance with the shareholders approval in Annual General meeting held on June 22, 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for financial year 2020 under the 2019 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 134,138 performance based RSU's were granted effective June 22, 2019.

COO and Whole time director

Under the 2015 plan:

On February 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time-based grant of 58,650 RSUs granted effective February 27, 2020.

Under the 2019 plan:

In accordance with the shareholders approval in Annual General meeting held on June 22, 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹4 crore for financial year 2020 under the 2019 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 53,655 performance based RSU's were granted effective June 22, 2019.

Other KMPs

Under the 2015 plan:

On April 12, 2019, based on the recommendations of the Nomination and Remuneration Committee, in accordance with employment agreement, the Board, approved performance-based grant of 10,263 RSUs and time based grant of 23,946 RSUs to other KMP under the 2015 Plan. The grants were made effective May 2, 2019. The time based RSUs will generally vest over four years and the performance based RSUs will vest over three years based on certain performance targets.

On February 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 375,768 RSUs to other KMPs under the 2015 plan. The grants were made effective February 27, 2020. These RSUs will vest over four years.

Under the 2019 plan:

On February 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance based grants of 169,000 RSUs to other KMPs under the 2019 plan. The grants were made effective February 27, 2020. These RSUs will vest over three years based on achievement of certain performance targets.

Break-up of employee stock compensation expense:

(in ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	**2019**	**2020**	**2019**
Granted to:				
KMP	11	10	56	33
Employees other than KMP	55	49	193	169
Total [(1)]	**66**	**59**	**249**	**202**
[(1)] *Cash-settled stock compensation expense included above*	7	1	11	5

Share based payment arrangements that were modified during the year ended March 31, 2020:

During the year ended March 31, 2020, the company issued stock appreciation rights as replacement for outstanding ADS settled RSU and ESOP awards. The replacement was pursuant to SEBI Circular 'Framework for issue of Depository Receipts' dated October 10, 2019 which prohibited companies to allot ADS to Indian residents and Non resident Indians. The awards were granted after necessary approvals from the NARC. All other terms and conditions of the replaced awards remain the same as the original award.

The replacement awards was accounted as a modification and the fair value on the date of modification of ₹57 crore is recognized as financial liability with a corresponding adjustment to equity.

The activity in the 2015 and 2019 Plan for equity-settled share based payment transactions during the three months and year ended March 31, 2020 and March 31, 2019 is set out as follows:

Particulars	Three months ended March 31, 2020		Three months ended March 31, 2019		Year ended March 31, 2020		Year ended March 31, 2019*	
	Shares arising out of options	**Weighted average exercise price (₹)**	**Shares arising out of options**	**Weighted average exercise price (₹)**	**Shares arising out of options**	**Weighted average exercise price (₹)**	**Shares arising out of options**	**Weighted average exercise price (₹)**
2015 Plan: RSU								
Outstanding at the beginning	8,679,944	3.77	7,659,466	2.50	9,181,198	3.13	7,500,818	2.50
Granted	1,666,050	5.00	2,336,380	5.00	3,854,176	5.00	4,340,700	3.84
Exercised	955,650	3.72	660,078	2.50	2,561,218	2.95	1,864,510	2.50
Modification to cash settled awards	408,568	-	-	-	1,061,820	-	-	-
Forfeited and expired	200,878	3.74	154,570	2.67	631,438	3.29	795,810	2.61
Outstanding at the end	**8,780,898**	**3.96**	**9,181,198**	**3.13**	**8,780,898**	**3.96**	**9,181,198**	**3.13**
Exercisable at the end	392,185	2.54	235,256	2.50	392,185	2.54	235,256	2.50
2015 Plan: Employee Stock Options (ESOPs)								
Outstanding at the beginning	1,146,354	520	1,641,600	519	1,623,176	516	1,933,826	493
Granted	-	-	-	-	-	-	-	-
Exercised	31,124	499	8,224	499	104,796	516	117,350	515
Modification to cash settled awards	-	-	-	-	351,550	-	-	-
Forfeited and expired	14,900	499	10,200	499	66,500	528	193,300	521
Outstanding at the end	**1,100,330**	**539**	**1,623,176**	**516**	**1,100,330**	**539**	**1,623,176**	**516**
Exercisable at the end	780,358	543	698,500	517	780,358	543	698,500	517
2019 Plan: RSU								
Outstanding at the beginning	187,793	5.00	-	-	-	-	-	-
Granted	1,903,500	5.00	-	-	2,091,293	5.00	-	-
Exercised	-	-	-	-	-	-	-	-
Forfeited and expired	-	-	-	-	-	-	-	-
Outstanding at the end	**2,091,293**	**5.00**	-	-	**2,091,293**	**5.00**	-	-
Exercisable at the end	-	-	-	-	-	-	-	-

** Information is adjusted for September, 2018 bonus issue*

During the three months ended March 31, 2020 and March 31, 2019 the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹720 and ₹732 respectively.

During the year ended March 31, 2020 and March 31, 2019 the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹751 and ₹701 (adjusted for September 2018 bonus issue) respectively.

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2020 is as follows:

Range of exercise prices per share (₹)	2019 plan - Options outstanding			2015 plan - Options outstanding		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
2015 Plan:						
0 - 5 (RSU)	2,091,293	1.76	5.00	8,780,898	1.59	3.96
450 - 600 (ESOP)	-	-	-	1,100,330	3.48	539
	2,091,293	**1.76**	**5.00**	**9,881,228**	**1.80**	**64**

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2019 was as follows:

Range of exercise prices per share (₹)	2015 Plan- Options outstanding*		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
2015 Plan:			
0 - 5 (RSU)	9,181,198	1.70	3.13
450 - 600 (ESOP)	1,623,176	5.04	516
	10,804,374	**2.20**	**80**

** Information is adjusted for September, 2018 bonus issue*

As at March 31, 2020 and March 31, 2019, 1,812,895 and 1,77,454 (net of forfeitures) cash settled options were outstanding respectively. The carrying value of liability towards cash settled share based payments was ₹48 crore and ₹9 crore as at March 31, 2020 and March 31, 2019 respectively.

The fair values of the awards are estimated using the Black-Scholes Model for time and non-market performance based options and Monte Carlo simulation model is used for TSR based options.

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the options. Expected volatility of the comparative company have been modelled based on historical movements in the market prices of their publicly traded equity shares during a period equivalent to the expected term of the options. Correlation coefficient is calculated between each peer entity and the indices as a whole or between each entity in the peer group.

The fair value of each equity settled award is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Particulars	For options granted in			
	Fiscal 2020-Equity Shares-RSU	Fiscal 2020-ADS-RSU	Fiscal 2019-Equity Shares-RSU	Fiscal 2019-ADS-RSU
Weighted average share price (₹) / ($ ADS)[1]	728	10.52	696	10.77
Exercise price (₹)/ ($ADS)[1]	5.00	0.07	3.31	0.06
Expected volatility (%)	22-30	22-26	21-25	22-26
Expected life of the option (years)	1-4	1-4	1-4	1-4
Expected dividends (%)	2-3	2-3	2.65	2.65
Risk-free interest rate (%)	6-7	1-3	7-8	2-3
Weighted average fair value as on grant date (₹) / ($ADS)[1]	607	7.84	648	10.03

[1] Fiscal 2019 values are adjusted for September 2018 bonus issue wherever applicable

The expected life of the RSU/ESOP is estimated based on the vesting term and contractual term of the RSU/ESOP, as well as expected exercise behavior of the employee who receives the RSU/ESOP.

2.12 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
Non-current		
Others		
Accrued compensation to employees [1]	22	15
Compensated absences	38	44
Financial liability under option arrangements (refer to note 2.1.1)[2]	621	-
Payable for acquisition of business (refer to note 2.1.1) [2]		
Contingent consideration	121	88
Other Payables [1]	5	-
Total non-current other financial liabilities	**807**	**147**
Current		
Unpaid dividends [1]	30	29
Others		
Accrued compensation to employees [1]	2,958	2,572
Accrued expenses [1]	3,921	3,319
Retention monies [1]	72	112
Payable for acquisition of business		
Contingent consideration (refer note no. 2.1.1) [2]	219	102
Payable by controlled trusts [1]	188	168
Financial liability relating to buyback (refer to note 2.11)[1] [4]	-	1,202
Compensated absences	1,832	1,619
Foreign currency forward and options contracts [2][3]	491	15
Capital creditors [1]	280	676
Other payables [1]	490	638
Total current other financial liabilities	**10,481**	**10,452**
Total other financial liabilities	**11,288**	**10,599**
[1] Financial liability carried at amortized cost	7,966	8,731
[2] Financial liability carried at fair value through profit or loss	1,432	205
[3] Financial liability carried at fair value through other comprehensive income	20	-
Contingent consideration on undiscounted basis	367	233

[4]In accordance with Ind AS 32, Financial Instruments : Presentation, the Company has recorded a financial liability as at March 31, 2019 for the obligation to acquire its own equity shares to the extent of standing instructions provided to its registered broker for the buyback (refer to note 2.11). The financial liability is recognised at the present value of the maximum amount that the Company would be required to pay to the registered broker for buyback, with a corresponding debit in general reserve / retained earnings. The liability has been utilized towards buyback of equity shares which was completed on August 26, 2019.

2.13 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
Non-current		
Others		
Deferred income - government grant on land use rights	43	42
Accrued gratuity (refer to note 2.20.1)	28	30
Accrued provident fund liability (refer to note 2.20.2)	185	-
Deferred rent (refer to note 2.19)	-	174
Deferred income	21	29
Others	2	-
Total non-current other liabilities	**279**	**275**
Current		
Unearned revenue	2,990	2,809
Client deposit	18	26
Others		
Withholding taxes and others	1,759	1,487
Accrued gratuity (refer to note 2.20.1)	3	2
Accrued provident fund liability (refer to note 2.20.2)	64	-
Deferred rent (refer to note 2.19)	-	63
Deferred income - government grant on land use rights	2	1
Others	6	-
Total current other liabilities	**4,842**	**4,388**
Total other liabilities	**5,121**	**4,663**

2.14 PROVISIONS

Accounting policy

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

a. Post sales client support

The Group provides its clients with a fixed-period post sales support on its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time related revenues are recorded and included in Consolidated Statement of Profit and Loss. The Group estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

b. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Group recognizes any impairment loss on the assets associated with that contract.

Provision for post-sales client support and other provisions *(In ₹ crore)*

Particulars	**As at**	
	March 31, 2020	**March 31, 2019**
Current		
Others		
Post-sales client support and other provisions	572	576
Total provisions	**572**	**576**

The movement in the provision for post-sales client support and other provisions is as follows : *(In ₹ crore)*

Particulars	**Three months ended**	**Year ended**
	March 31, 2020	**March 31, 2020**
Balance at the beginning	603	576
Provision recognized/(reversed)	1	116
Provision utilized	(66)	(174)
Exchange difference	34	54
Balance at the end	**572**	**572**

Provision for post sales client support and other provisions represents cost associated with providing post sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of 1 year.

2.15 INCOME TAXES

Accounting policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized 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 it is no longer probable that the related tax benefit will be realized.

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 recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized 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 utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to securities premium.

Income tax expense in the consolidated Statement of Profit and Loss comprises:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Current taxes	1,335	1,193	5,775	5,727
Deferred taxes	(174)	12	(407)	(96)
Income tax expense	**1,161**	**1,205**	**5,368**	**5,631**

During the year ended March 31, 2019, the Company entered into Advance Pricing Agreement (APA) in overseas jurisdictions resulting in a reversal of income tax expense of ₹94 crore which pertained to prior periods.

Additionally, income tax expense for the three months ended March 31, 2020 and March 31, 2019 includes reversal (net of provisions) of ₹183 crore and ₹82 crore, respectively. Income tax expense for the year ended March 31, 2020 and March 31, 2019 includes reversal (net of provisions) of ₹379 crore and ₹129 crore, respectively. These reversals pertain to prior periods on account of adjudication of certain disputed matters in favor of the company across various jurisdictions and on account of changes to tax regulations.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Profit before income taxes	5,496	5,283	22,007	21,041
Enacted tax rates in India	34.94%	34.94%	34.94%	34.94%
Computed expected tax expense	1,921	1,846	7,691	7,353
Tax effect due to non-taxable income for Indian tax purposes	(741)	(755)	(2,718)	(2,705)
Overseas taxes	125	122	728	719
Tax provision (reversals)	(183)	(176)	(379)	(176)
Effect of exempt non-operating income	(16)	(13)	(41)	(58)
Effect of unrecognized deferred tax assets	(9)	17	53	92
Effect of differential tax rates	(7)	2	(81)	(1)
Effect of non-deductible expenses	13	47	120	353
Branch profit tax (net of credits)	55	108	(35)	25
Others	3	7	30	29
Income tax expense	**1,161**	**1,205**	**5,368**	**5,631**

The applicable Indian corporate statutory tax rate for the year ended March 31, 2020 and March 31, 2019 is 34.94% each.

The foreign tax expense is due to income taxes payable overseas principally in the United States. In India, the Group has benefited from certain tax incentives that the Government of India had provided for export of software and services from the units registered under the Special Economic Zones (SEZs) Act, 2005. SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50% of such profits or gains for further five years. Up to 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone re-Investment Reserve out of the profit of the eligible SEZ units and utilization of such reserve by the Group for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

Deferred income tax for the three months and year ended March 31, 2020 and March 31, 2019 substantially relates to origination and reversal of temporary differences.

Infosys is subject to a 15% BPT in the U.S. to the extent its U.S. branch's net profit during the year is greater than the increase in the net assets of the U.S. branch during the year, computed in accordance with the Internal Revenue Code. As at March 31, 2020, Infosys' U.S. branch net assets amounted to approximately ₹5,474 crore. As at March 31, 2020, the Company has a deferred tax liability for branch profit tax of ₹178 crore (net of credits), as the Company estimates that these branch profits are expected to be distributed in the foreseeable future.

Deferred income tax liabilities have not been recognized on temporary differences amounting to ₹8,447 crore and ₹6,007 crore as at March 31, 2020 and March 31, 2019, respectively, associated with investments in subsidiaries and branches as it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets have not been recognized on accumulated losses of ₹3,187 crore and ₹2,624 crore as at March 31, 2020 and March 31, 2019, respectively, as it is probable that future taxable profit will be not available against which the unused tax losses can be utilized in the foreseeable future.

The following table provides details of expiration of unused tax losses as at March 31, 2020:

(In ₹ crore)

Year	As at March 31, 2020
2021	83
2022	142
2023	209
2024	172
2025	121
Thereafter	2,460
Total	**3,187**

The following table provides details of expiration of unused tax losses as at March 31, 2019:

(In ₹ crore)

Year	As at March 31, 2019
2020	173
2021	80
2022	142
2023	198
2024	187
Thereafter	1,844
Total	**2,624**

The following table provides the details of income tax assets and income tax liabilities as at March 31, 2020 and March 31, 2019:

(In ₹ crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
Income tax assets	5,391	6,743
Current income tax liabilities	1,490	1,567
Net current income tax asset / (liability) at the end	**3,901**	**5,176**

The gross movement in the current income tax asset/ (liability) for the three months and year ended March 31, 2020 and March 31, 2019 is as follows:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Net current income tax asset/ (liability) at the beginning	3,739	4,783	5,176	4,027
Translation differences	(1)	2	(4)	(1)
Income tax paid	1,586	1,573	4,550	6,832
Current income tax expense	(1,335)	(1,193)	(5,775)	(5,727)
Reclassified under assets held for sale (refer note no. 2.1.2)	-	-	-	23
Reclassified from held for sale (Refer note 2.1.2)	-	-	-	13
Income tax benefit arising on exercise of stock options	3	5	9	8
Additions through business combination	-	-	(40)	(9)
Tax impact on buyback expenses	-	4	4	4
Income tax on other comprehensive income	(91)	2	(19)	6
Net current income tax asset/ (liability) at the end	**3,901**	**5,176**	**3,901**	**5,176**

The movement in gross deferred income tax assets / liabilities (before set off) for the three months ended March 31, 2020 is as follows:

(In ₹ crore)

Particulars	Carrying value as at January 1, 2020	Changes through profit and loss	Addition through business combination	Changes through OCI	Impact on account of Ind AS 116 adoption	Reclassified from Held for Sale, net	Translation difference	Carrying value as of March 31, 2020
Deferred income tax assets/(liabilities)								
Property, plant and equipment	248	(5)	-	-	-	-	1	244
Lease liabilities	79	57	-	-	-	-	-	136
Accrued compensation to employees	36	16	-	-	-	-	-	52
Trade receivables	185	12	-	-	-	-	-	197
Compensated absences	439	(6)	-	-	-	-	-	433
Post sales client support	108	2	-	-	-	-	1	111
Credits related to branch profits	245	117	-	-	-	-	15	377
Derivative financial instruments	(8)	168	-	2	-	-	-	162
Intangible assets	18	-	-	-	-	-	2	20
Intangibles arising on business combinations	(277)	14	(150)	-	-	-	(13)	(426)
Branch profit tax	(361)	(172)	-	-	-	-	(22)	(555)
Others	53	(29)	-	-	-	-	1	25
Total deferred income tax assets/(liabilities)	**765**	**174**	**(150)**	**2**	**-**	**-**	**(15)**	**776**

The movement in gross deferred income tax assets / liabilities (before set off) for the three months ended March 31, 2019 is as follows:

(In ₹ crore)

Particulars	Carrying value as at January 1, 2019	Changes through profit and loss	Addition through business combination	Changes through OCI	Impact on account of Ind AS 116	Reclassified as Held for Sale, net	Translation difference	Carrying value as of March 31, 2019
Deferred income tax assets/(liabilities)								
Property, plant and equipment	242	20	-	-	-	-	-	262
Accrued compensation to employees	25	6	-	-	-	-	-	31
Trade receivables	165	11	-	-	-	-	-	176
Compensated absences	387	10	-	-	-	-	-	397
Post sales client support	111	(7)	-	-	-	-	-	104
Credits related to branch profits	261	81	-	-	-	-	(2)	340
Derivative financial instruments	(104)	(7)	-	5	-	-	-	(106)
Intangible assets	16	-	-	-	-	-	-	16
Intangibles arising on business combinations	(163)	34	-	-	-	-	1	(128)
Branch profit tax	(355)	(189)	-	-	-	-	3	(541)
Others	100	29	-	17	-	-	3	149
Total deferred income tax assets/(liabilities)	**685**	**(12)**	**-**	**22**	**-**	**-**	**5**	**700**

The movement in gross deferred income tax assets / liabilities (before set off) for the year ended March 31, 2020 is as follows:

(In ₹ crore)

Particulars	Carrying value as at April 1, 2019	Changes through profit and loss	Addition through business combination	Changes through OCI	Impact on account of Ind AS 116 adoption	Reclassified from Held for Sale, net	Translation difference	Carrying value as of March 31, 2020
Deferred income tax assets/(liabilities)								
Property, plant and equipment	262	(20)	1	-	-	-	1	244
Lease liabilities	52	76	-	-	6	-	2	136
Accrued compensation to employees	31	23	-	-	-	-	(2)	52
Trade receivables	176	21	-	-	-	-	-	197
Compensated absences	397	35	-	-	-	-	1	433
Post sales client support	104	7	-	-	-	-	-	111
Credits related to branch profits	340	14	-	-	-	-	23	377
Derivative financial instruments	(106)	255	-	12	-	-	1	162
Intangible assets	16	1	-	-	-	-	3	20
Intangibles arising on business combinations	(128)	44	(326)	-	-	-	(16)	(426)
Branch profit tax	(541)	22	-	-	-	-	(36)	(555)
Others	97	(71)	9	(7)	-	-	(3)	25
Total deferred income tax assets/(liabilities)	**700**	**407**	**(316)**	**5**	**6**	**-**	**(26)**	**776**

The movement in gross deferred income tax assets / liabilities (before set off) for the year ended March 31, 2019 is as follows:

(In ₹ crore)

Particulars	Carrying value as at April 1, 2018	Changes through profit and loss	Addition through business combination	Changes through OCI	Impact on account of Ind AS 116 adoption	Reclassified from Held for Sale, net	Translation difference	Carrying value as of March 31, 2019
Deferred income tax assets/(liabilities)								
Property, plant and equipment	215	46	-	-	-	1	-	262
Accrued compensation to employees	12	16	-	-	-	2	1	31
Trade receivables	141	35	-	-	-	-	-	176
Compensated absences	366	29	-	-	-	2	-	397
Post sales client support	98	5	-	-	-	-	1	104
Credits related to branch profits	341	(22)	-	-	-	-	21	340
Derivative financial instruments	11	(111)	-	(7)	-	-	1	(106)
Intangible assets	9	6	-	-	-	-	1	16
Intangibles arising on business combinations	(38)	63	(56)	-	-	(86)	(11)	(128)
Branch profit tax	(505)	(3)	-	-	-	-	(33)	(541)
Others	91	32	(8)	8	-	28	(2)	149
Total deferred income tax assets/(liabilities)	**741**	**96**	**(64)**	**1**	**-**	**(53)**	**(21)**	**700**

The deferred income tax assets and liabilities are as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Deferred income tax assets after set off	1,744	1,372
Deferred income tax liabilities after set off	(968)	(672)

Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

In assessing the reliability of deferred income tax assets, the management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The management considers the scheduled reversals of deferred income tax liabilities, 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 income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

2.16 REVENUE FROM OPERATIONS

Accounting policy

The Group derives revenues primarily from IT services comprising software development and related services, maintenance, consulting and package implementation, and from licensing of software products and platforms across the Group's core and digital offerings (together called as "software related services"). Contracts with customers are either on a time-and-material, unit of work, fixed-price or on a fixed-timeframe basis.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Group has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Group allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Group estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Group's contracts may include variable consideration including rebates, volume discounts and penalties. The Group includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue on time-and-material and unit of work based contracts, are recognized as the related services are performed. Fixed price maintenance revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Group's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended have been used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the lives of the contracts and are recognized in profit or loss in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.
The billing schedules agreed with customers include periodic performance based billing and / or milestone based progress billings. Revenues in excess of billing are classified as unbilled revenue while billing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for software development and related services and maintenance services, by applying the revenue recognition criteria for each distinct performance obligation, the arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS).When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two distinct 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 Group uses the expected cost plus margin approach in estimating the standalone selling price. 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. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

Contracts with customers includes subcontractor services or third-party vendor equipment or software in certain integrated services arrangements. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when the Group is acting as an agent between the customer and the vendor, and gross when the Group is the principal for the transaction. In doing so, the group first evaluates whether it controls the good or service before it is transferred to the customer. The Group considers whether it has the primary obligation to fulfil the contract, inventory risk, pricing discretion and other factors to determine whether it controls the goods or service and therefore is acting as a principal or an agent.

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Group expects to recover them. Any capitalized contract costs are amortized, with the expense recognised as the Group transfers the related goods or services to the customer.

The Group presents revenues net of indirect taxes in its consolidated statement of profit and loss.

Revenues for the three months and year ended March 31, 2020 and March 31, 2019 are as follows:

(In ₹ crore)

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2020	**2019**	**2020**	**2019**
Revenue from software services	21,808	20,372	85,260	78,359
Revenue from products and platforms	1,459	1,167	5,531	4,316
Total revenue from operations	**23,267**	**21,539**	**90,791**	**82,675**

The Group has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts;(ii) onerous obligations;(iii) penalties relating to breaches of service level agreements, and (iv) termination or deferment of contracts by customers. The Group has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by geography and offerings for each of our business segments. The Group 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.

For the three months ended March 31, 2020 and March 31, 2019

(In ₹ crore)

Particulars	Financial Services [1]	Retail[2]	Communication [3]	Energy, Utilities, Resources and Services	Manufacturing	Hi-Tech	Life Sciences[4]	Others [5]	Total
Revenues by Geography*									
North America	4,276	2,433	1,796	1,619	1,322	1,700	1,015	170	*14,331*
	4,093	*2,206*	*1,763*	*1,513*	*1,150*	*1,575*	*767*	*126*	*13,193*
Europe	1,540	993	555	1,110	937	54	435	58	*5,682*
	1,255	*987*	*464*	*975*	*918*	*35*	*492*	*41*	*5,167*
India	342	10	38	5	25	65	11	113	*609*
	296	*6*	*23*	*1*	*21*	*32*	*4*	*110*	*493*
Rest of the world	1,124	186	628	258	79	12	23	335	*2,645*
	1,161	*217*	*671*	*258*	*72*	*8*	*24*	*275*	*2,686*
Total	**7,282**	**3,622**	**3,017**	**2,992**	**2,363**	**1,831**	**1,484**	**676**	**23,267**
	6,805	*3,416*	*2,921*	*2,747*	*2,161*	*1,650*	*1,287*	*552*	*21,539*
Revenue by offerings									
Digital	3,164	1,683	1,314	1,248	949	682	508	217	*9,765*
	2,288	*1,297*	*1,023*	*925*	*716*	*593*	*333*	*107*	*7,282*
Core	4,118	1,939	1,703	1,744	1,414	1,149	976	459	*13,502*
	4,517	*2,119*	*1,898*	*1,822*	*1,445*	*1,057*	*954*	*445*	*14,257*
Total	**7,282**	**3,622**	**3,017**	**2,992**	**2,363**	**1,831**	**1,484**	**676**	**23,267**
	6,805	*3,416*	*2,921*	*2,747*	*2,161*	*1,650*	*1,287*	*552*	*21,539*

For the year ended March 31, 2020 and March 31, 2019

(In ₹ crore)

Particulars	Financial Services [1]	Retail[2]	Communication [3]	Energy, Utilities, Resources and Services	Manufacturing	Hi-Tech	Life Sciences[4]	Others [5]	Total
Revenues by Geography*									
North America	16,749	9,222	7,332	6,456	5,131	6,537	3,816	564	55,807
	16,052	*8,792*	*5,579*	*5,867*	*4,336*	*5,914*	*3,066*	*432*	*50,038*
Europe	5,983	3,966	1,925	4,207	3,576	191	1,892	176	21,916
	4,890	*3,836*	*1,897*	*3,550*	*3,497*	*106*	*2,011*	*155*	*19,942*
India	1,311	48	192	12	88	207	39	468	2,365
	1,209	*23*	*56*	*3*	*86*	*137*	*12*	*522*	*2,048*
Rest of the world	4,582	799	2,535	1,061	336	37	90	1,263	10,703
	4,326	*905*	*2,894*	*970*	*233*	*20*	*114*	*1,185*	*10,647*
Total	**28,625**	**14,035**	**11,984**	**11,736**	**9,131**	**6,972**	**5,837**	**2,471**	**90,791**
	26,477	*13,556*	*10,426*	*10,390*	*8,152*	*6,177*	*5,203*	*2,294*	*82,675*
Revenue by offerings									
Digital	11,562	6,165	4,843	4,485	3,481	2,541	1,850	690	35,617
	8,277	*4,715*	*3,598*	*3,061*	*2,427*	*2,084*	*1,289*	*346*	*25,797*
Core	17,063	7,870	7,141	7,251	5,650	4,431	3,987	1,781	55,174
	18,200	*8,841*	*6,828*	*7,329*	*5,725*	*4,093*	*3,914*	*1,948*	*56,878*
Total	**28,625**	**14,035**	**11,984**	**11,736**	**9,131**	**6,972**	**5,837**	**2,471**	**90,791**
	26,477	*13,556*	*10,426*	*10,390*	*8,152*	*6,177*	*5,203*	*2,294*	*82,675*

[1] Financial Services include enterprises in Financial Services and Insurance

[2] Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics

[3] Communication includes enterprises in Communication, Telecom OEM and Media

[4] Life Sciences includes enterprises in Life sciences and Health care

[5] Others include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services

** Geographical revenues is based on the domicile of customer.*

Digital Services

Digital Services comprise of service and solution offerings of the Group that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core Services

Core Services comprise traditional offerings of the Group that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services.

Products & platforms

The Group also derives revenues from the sale of products and platforms including Finacle – core banking solution, Edge Suite of products, Infosys Nia - Artificial Intelligence (AI) platform which applies next-generation AI and machine learning, Stater digital platform and Infosys McCamish- insurance platform.

The percentage of revenue from fixed price contracts for each of the three months and year ended March 31, 2020 and March 31, 2019 is approximately 55%.

Trade Receivables and Contract Balances

The timing of revenue recognition, billings and cash collections results in Receivables, Unbilled Revenue, and Unearned Revenue on the Group's Consolidated Balance Sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones.

The Group's Receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of billings from time and material contracts and fixed price maintenance contracts are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

Invoicing to the clients for other fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore Unbilled Revenues for other fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

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

During the year ended March 31, 2020 and March 31, 2019 , the company recognized revenue of ₹2,421 crore and ₹2,237 crore arising from opening unearned revenue as of April 1, 2019 and April 1, 2018 respectively.

During the year ended March 31, 2020 and March 31, 2019, ₹2,971 crore and ₹2,685 crore of unbilled revenue pertaining to other fixed price development contracts as of April 1, 2019 and April 1, 2018, respectively 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 at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group 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 invoicing is on time and material and unit of work based contracts. 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 at March 31, 2020, other than those meeting the exclusion criteria mentioned above, is ₹55,926 crore. Out of this, the Group expects to recognize revenue of around 51% within the next one year and the remaining thereafter. The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019 is ₹51,274 crore. The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them. Generally, customers have not terminated contracts without cause.

2.17 OTHER INCOME, NET

Accounting policy

Other income is comprised primarily of interest income, dividend income, gain/loss on investment and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

Foreign currency

Accounting policy

Functional currency

The functional currency of Infosys, Infosys BPM, controlled trusts, EdgeVerve and Skava is the Indian rupee. The functional currencies for other subsidiaries are their respective local currencies. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are recognized in the Consolidated Statement of Profit and Loss and reported within exchange gains/ (losses) on translation of assets and liabilities, net, except when deferred in Other Comprehensive Income as qualifying cash flow hedges. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the Consolidated Statement of Profit and Loss. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Other Comprehensive Income, net of taxes includes translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as financial instruments and measured at fair value through other comprehensive income (FVOCI).

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the Balance Sheet date.

Effective April 1, 2018, the Group has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

Government grant

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in net profit in the Consolidated Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in net profit in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

Other income for the three months and year ended March 31, 2020 and March 31, 2019 is as follows:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	**2019**	**2020**	**2019**
Interest income on financial assets carried at amortized cost:				
Tax free bonds and Government bonds	35	35	143	143
Deposit with Bank and others	292	320	1,146	1,261
Interest income on financial assets carried at fair value through other comprehensive income:				
Non-convertible debentures and certificates of deposit, commercial paper and government securities	65	142	322	646
Income on investments carried at fair value through profit or loss				
Dividend income on liquid mutual funds	-	1	2	2
Gain / (loss) on liquid mutual funds and other investments	35	65	183	170
Income on investments carried at fair value through other comprehensive income	4	-	41	-
Interest income on income tax refund	8	-	259	51
Exchange gains/ (losses) on foreign currency forward and options contracts	(477)	195	(511)	185
Exchange gains/ (losses) on translation of assets and liabilities	594	(139)	1,023	133
Miscellaneous income, net	58	46	195	291
Total other income	**614**	**665**	**2,803**	**2,882**

2.18 EXPENSES

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	**2019**	**2020**	**2019**
Employee benefit expenses				
Salaries including bonus	12,489	11,701	49,252	43,894
Contribution to provident and other funds	283	234	1,107	946
Share based payments to employees *(Refer note no. 2.11)*	66	59	249	202
Staff welfare	78	80	279	273
	12,916	**12,074**	**50,887**	**45,315**
Cost of software packages and others				
For own use	268	237	1,035	930
Third party items bought for service delivery to clients	487	452	1,668	1,623
	755	**689**	**2,703**	**2,553**
Other expenses				
Repairs and maintenance	400	359	1,480	1,269
Power and fuel	53	49	229	221
Brand and marketing	143	135	528	489
Short-term leases (Refer to Note 2.19)	24	-	89	-
Operating leases	-	165	-	585
Rates and taxes	64	52	193	184
Consumables	33	15	100	47
Insurance	23	19	90	67
Provision for post-sales client support and others	-	(24)	-	1
Commission to non-whole time directors	2	2	8	8
Impairment loss recognized / (reversed) under expected credit loss model	74	18	172	248
Contributions towards Corporate Social responsibility	130	66	385	266
Others	125	76	382	270
	1,071	**932**	**3,656**	**3,655**

2.19 Leases

Accounting Policy

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The group 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 group assesses whether: (1) the contract involves the use of an identified asset (2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group 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 the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

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

The Group as a lessor

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

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

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

Transition

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹2,907 crore, 'Net investment in sublease' of ROU asset of ₹430 crore and a lease liability of ₹3,598 crore. The cumulative effect of applying the standard, amounting to ₹40 crore was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note 2.19 of the 2019 Annual Report and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 4.5%.

Following are the changes in the carrying value of right of use assets for the three months ended March 31, 2020:

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of January 1, 2020	**625**	**3,169**	**18**	**42**	**3,854**
Additions*	1	478	-	1	480
Deletions	-	(23)	(1)	-	(24)
Depreciation	(1)	(149)	(2)	(2)	(154)
Translation difference	1	10	-	1	12
Balance as of March 31, 2020	**626**	**3,485**	**15**	**42**	**4,168**

**Net of lease incentives of ₹ 47 crore related to lease of buildings*

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of April 1, 2019	**-**	**2,898**	**9**	**-**	**2,907**
Reclassified on account of adoption of Ind AS 116 (Refer to note 2.2 & 2.3)	634	-	-	-	634
Additions*	1	1,064	6	49	1,120
Additions through business combination (Refer to note 2.1)	-	177	10	-	187
Deletions	(3)	(130)	(1)	-	(134)
Depreciation	(6)	(540)	(9)	(8)	(563)
Translation difference	-	16	-	1	17
Balance as of March 31, 2020	**626**	**3,485**	**15**	**42**	**4,168**

**Net of lease incentives of ₹ 115 crore related to lease of buildings*

The following is the break-up of current and non-current lease liabilities as of March 31, 2020

(In ₹ crore)

Particulars	Amount
Current lease liabilities	619
Non-current lease liabilities	4,014
Total	**4,633**

The following is the movement in lease liabilities during the three months and year ended March 31, 2020:

(In ₹ crore)

Particulars	Three months ended March 31, 2020	Year ended March 31, 2020
Balance at the beginning	**4,143**	**3,598**
Additions	575	1,241
Additions through business combination (Refer to note 2.1)	-	224
Deletions	(29)	(145)
Finance cost accrued during the period	45	170
Payment of lease liabilities	(208)	(639)
Translation difference	107	184
Balance at the end	**4,633**	**4,633**

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2020 on an undiscounted basis:

(In ₹ crore)

Particulars	Amount
Less than one year	796
One to five years	2,599
More than five years	2,075
Total	**5,470**

The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹24 crore for the three months ended March 31,2020 and ₹89 crore for the year ended March 31,2020

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the consolidated Statement of Profit and Loss.

The following is the movement in the net investment in sublease of ROU assets during the three months and year ended March 31, 2020:

(In ₹ crore)

Particulars	Three months ended March 31, 2020	Year ended March 31, 2020
Balance at the beginning	**417**	**430**
Interest income accrued during the period	4	15
Lease receipts	(12)	(46)
Translation difference	24	34
Balance at the end	**433**	**433**

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset as of March 31, 2020 on an undiscounted basis:

(In ₹ crore)

Particulars	Amount
Less than one year	50
One to five years	217
More than five years	244
Total	**511**

Leases not yet commenced to which Group is committed amounts to ₹655 crore for a lease term ranging from 2 years to 13 years.

2.20 EMPLOYEE BENEFITS

Accounting policy

Gratuity

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of Infosys and its Indian subsidiaries. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). In case of Infosys BPM and EdgeVerve, contributions are made to the Infosys BPM Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees' Gratuity Fund Trust, respectively. Trustees administer contributions made to the Trusts and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by Indian law.

The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in the Consolidated Statement of Profit and Loss.

Provident fund

Eligible employees of Infosys receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Infosys Limited Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

In respect of Indian subsidiaries, eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the respective companies make monthly contributions to this provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The Companies have no further obligation to the plan beyond its monthly contributions.

Superannuation

Certain employees of Infosys, Infosys BPM and EdgeVerve are participants in a defined contribution plan. The Group has no further obligations to the plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

2.20.1 Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognized in the Group's financial statements as at March 31, 2020 and March 31, 2019:

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Change in benefit obligations		
Benefit obligations at the beginning	1,351	1,201
Service cost	178	157
Interest expense	90	85
Remeasurements - Actuarial (gains) / losses	(79)	32
Benefits paid	(141)	(128)
Translation difference	3	2
Reclassified from held for sale (refer note no 2.1.2)	-	2
Benefit obligations at the end	**1,402**	**1,351**
Change in plan assets		
Fair value of plan assets at the beginning	1,361	1,216
Interest income	97	90
Remeasurements- Return on plan assets excluding amounts included in interest income	9	4
Contributions	191	174
Benefits paid	(136)	(123)
Fair value of plan assets at the end	**1,522**	**1,361**
Funded status	120	10
Prepaid gratuity benefit (refer to note no 2.9)	151	42
Accrued gratuity (refer to note no 2.13)	(31)	(32)

Amount for the three months and year ended March 31, 2020 and March 31, 2019 recognized in the consolidated statement of Profit and Loss under employee benefit expense:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Service cost	45	39	178	157
Net interest on the net defined benefit liability/(asset)	(3)	(2)	(7)	(5)
Net gratuity cost	**42**	**37**	**171**	**152**

Amount for the three months and year ended March 31, 2020 and March 31, 2019 recognized in the consolidated statement of other comprehensive income:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Remeasurements of the net defined benefit liability/ (asset)				
Actuarial (gains) / losses	(95)	5	(79)	32
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	4	1	(9)	(4)
	(91)	**6**	**(88)**	**28**

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
(Gain)/loss from change in demographic assumptions	1	-	1	(4)
(Gain)/loss from change in financial assumptions	(85)	9	(57)	30
(Gain)/loss from experience adjustment	(11)	(4)	(23)	6
	(95)	**5**	**(79)**	**32**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2020 and March 31, 2019 are set out below:

Particulars	As at	
	March 31, 2020	March 31, 2019
Discount rate [(1)]	6.2%	7.1%
Weighted average rate of increase in compensation levels [(2)]	6.0%	8.0%
Weighted average duration of defined benefit obligation [(3)]	5.9 years	5.9 years

The weighted-average assumptions used to determine net periodic benefit cost for the three months and year ended March 31, 2020 and March 31, 2019 are set out below:

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Discount rate (%)	7.1	7.5	7.1	7.5
Weighted average rate of increase in compensation levels (%)	8.0	8.0	8.0	8.0

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

[(1)] In India, the market for high quality corporate bonds being not developed, the yield of government bonds is considered as the discount rate. The tenure has been considered taking into account the past long-term trend of employees' average remaining service life which reflects the average estimated term of the post-employment benefit obligations.

[(2)] The average rate of increase in compensation levels is determined by the Company, considering factors such as, the Company's past compensation revision trends and management's estimate of future salary increases.

[(3)] Attrition rate considered is the management's estimate based on the past long-term trend of employee turnover in the Company.

Sensitivity of significant assumptions used for valuation of defined benefit obligation:

(In ₹ crore)

Impact from percentage point increase / decrease in	As at March 31, 2020
Discount rate	67
Weighted average rate of increase in compensation levels	59

Sensitivity to significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. In practice, this is not probable, and changes in some of the assumptions may be correlated.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit gratuity plans.

The Company contributes all ascertained liabilities towards gratuity to the Infosys Limited Employees' Gratuity Fund Trust. In case of Infosys BPM and EdgeVerve, contributions are made to the Infosys BPM Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees Gratuity Fund Trust, respectively. Trustees administer contributions made to the trust as at March 31, 2020 and March 31, 2019, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the three months ended March 31, 2020 and March 31, 2019 were ₹20 crore and ₹23 crore, respectively.

Actual return on assets for the year ended March 31, 2020 and March 31, 2019 were ₹106 crore and ₹95 crore, respectively.

The Group expects to contribute ₹145 crore to the gratuity trusts during fiscal 2021.

Maturity profile of defined benefit obligation:

	(In ₹ crore)
Within 1 year	215
1-2 year	218
2-3 year	220
3-4 year	231
4-5 year	148
5-10 years	1,183

2.20.2 Provident fund

Infosys has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided there is no shortfall as at March 31, 2019.

The details of the benefit obligation as at March 31, 2019 is as follows:

	(In ₹ crore)
Particulars	**As at March 31, 2019**
Benefit obligation at the period end	5,989
Net liability recognized in balance sheet	-

The following tables set out the funded status of the defined benefit provident fund plan of Infosys limited and the amounts recognized in the Company's financial statements as at March 31, 2020:

	(In ₹ crore)
Particulars	**As at March 31, 2020**
Change in benefit obligations	
Benefit obligations at the beginning	5,989
Service cost - employer contribution	407
Employee contribution	857
Interest expense	561
Actuarial (gains) / loss	216
Benefits paid	(664)
Benefit obligations at the end	**7,366**
Change in plan assets	
Fair value of plan assets at the beginning	5,989
Interest income	561
Remeasurements- Return on plan assets excluding amounts included in interest income [(1)]	(33)
Contributions	1,264
Benefits paid	(664)
Fair value of plan assets at the end	**7,117**
Net liability (refer to note 2.13)	(249)

(1) Includes unrealized losses on certain investments in bonds

Amount for the three months and year ended March 31, 2020 recognized in the consolidated statement of other comprehensive income:

		(In ₹ crore)
Particulars	**Three months ended March 31, 2020**	**Year ended March 31, 2020**
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial (gains) / losses	69	216
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(48)	33
	21	**249**

Assumptions used in determining the present value obligation of the defined benefit plan under the Deterministic Approach:

Particulars	As at	
	March 31, 2020	March 31, 2019
Government of India (GOI) bond yield [1]	6.20%	7.10%
Expected rate of return on plan assets	8.00%	9.20%
Remaining term to maturity of portfolio	6 years	5.47 years
Expected guaranteed interest rate		
First year	8.50%	8.65%
Thereafter	8.50%	8.60%

[1] In India, the market for high quality corporate bonds being not developed, the yield of government bonds is considered as the discount rate. The tenure has been considered taking into account the past long-term trend of employees' average remaining service life which reflects the average estimated term of the post-employment benefit obligations.

The breakup of the plan assets into various categories as at March 31, 2020 is as follows:

Particulars	As at
	March 31, 2020
Central and State government bonds	49%
Public sector undertakings and Private sector bonds	48%
Others	3%

The asset allocation for plan assets is determined based on investment criteria prescribed under the relevant regulations.

As at March 31, 2020 the defined benefit obligation would be affected by approximately ₹72 crore and ₹108 crore on account of a 0.25% increase / decrease, respectively, in the expected rate of return on plan assets.

The Group contributed ₹167 crore and ₹142 crore to the provident fund during the three months ended March 31, 2020 and March 31, 2019, respectively. The Group contributed ₹639 crore and ₹543 crore to the provident fund during the year ended March 31, 2020 and March 31, 2019, respectively. The same has been recognized in the Consolidated Statement of Profit and Loss under the head employee benefit expense.

In February 2019, the Hon'ble Supreme Court of India vide its judgment and subsequent review petition of August 2019 has ruled in respect of compensation for the purpose of Provident Fund contribution under the Employee's Provident Fund Act. The Company has assessed possible outcomes of the judgment on determination of provident fund contributions and based on the Company's current evaluation of the judgement, it is not probable that certain allowances paid by the Company will be subject to payment of Provident Fund. The Company will continue to monitor and evaluate its position based on future events and developments.

The provident plans are applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit plans.

2.20.3 Superannuation

The Group contributed ₹60 crore and ₹57 crore during the three months ended March 31, 2020 and March 31, 2019, respectively. The Group contributed ₹240 crore and ₹215 crore during the year ended March 31, 2020 and March 31, 2019, respectively and the same has been recognized in the Consolidated Statement of Profit and Loss under the head employee benefit expense.

2.20.4 Employee benefit costs include:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Salaries and bonus[1]	12,647	11,838	49,837	44,405
Defined contribution plans	85	81	338	307
Defined benefit plans	184	155	712	603
	12,916	**12,074**	**50,887**	**45,315**

[1] *Includes employee stock compensation expense of ₹66 crore and ₹59 crore for the three months ended March 31, 2020 and March 31, 2019, respectively. Similarly, includes employee stock compensation expense of ₹249 crore and ₹202 crore for the year ended March 31, 2020 and March 31, 2019 respectively.*

2.21 RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNINGS PER SHARE

Accounting policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Basic earnings per equity share - weighted average number of equity shares outstanding[(1)]	4,240,181,854	4,347,129,592	4,257,754,522	4,347,130,157
Effect of dilutive common equivalent shares - share options outstanding	5,799,532	5,894,271	7,389,706	6,290,615
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	**4,245,981,386**	**4,353,023,863**	**4,265,144,228**	**4,353,420,772**

Information in the table above is adjusted for September 2018 bonus issue where ever applicable (Refer note no 2.11)

[(1)] Excludes treasury shares

For the three months ended March 31, 2020 and March 31, 2019, 54,275 and Nil number of option to purchase equity shares had an anti-dilutive effect, respectively.
For the year ended March 31, 2020 and March 31, 2019, 13,093 and Nil number of options to purchase equity shares had an anti-dilutive effect, respectively.

2.22 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(In ₹ crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
Contingent liabilities :		
Claims against the Group, not acknowledged as debts[(1)] [Amount paid to statutory authorities ₹5,353 crore *(₹5,925 crore)*]	3,583	3,081
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)[(2)]	1,365	1,724
Other commitments*	61	86

**Uncalled capital pertaining to investments*

[(1)] As at March 31, 2020, claims against the Group not acknowledged as debts in respect of income tax matters amounted to ₹3,353 crore. The claims against the group majorly represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as disallowance of profits earned from STP Units and SEZ Units, disallowance of deductions in respect of employment of new employees under section 80JJAA, disallowance of expenditure towards software being held as capital in nature, payments made to Associated Enterprises held as liable for withholding of taxes. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group's financial position and results of operations.

[(2)] Capital contracts primarily comprises of commitments for infrastructure facilities and computer equipment's.

The Audit Committee appointed an external legal counsel to conduct an independent investigation into the whistleblower allegations which have been previously disclosed to stock exchanges on October 22, 2019 and to the Securities and Exchange Commission (SEC) on Form 6-K on the same date. As previously disclosed on January 10, 2020 the outcome of the investigation has not resulted in restatement of previously issued financial statements.

The Company cooperated with an investigation by the SEC regarding the same matters. In March 2020, the Company received notification from the SEC that the SEC has concluded its investigation and the Company does not anticipate any further action by the SEC on this matter. The Company is responding to all the inquires received from the Indian regulatory authorities and will continue to cooperate with the authorities for any additional requests for information. Additionally, in October 2019, a shareholder class action lawsuit was filed in the United States District Court for the Eastern District of New York against the Company and certain of its current and former officers for alleged violations of the US federal securities laws. The Company is presently unable to predict the scope, duration or the outcome of these matters.

The Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group's management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Group's results of operations or financial condition.

2.23 RELATED PARTY TRANSACTIONS

List of related parties:

Name of subsidiaries	Country	Holdings as at	
		March 31, 2020	March 31, 2019
Infosys Technologies (China) Co. Limited (Infosys China)	China	100%	100%
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	Mexico	100%	100%
Infosys Technologies (Sweden) AB. (Infosys Sweden)	Sweden	100%	100%
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)	China	100%	100%
Infosys Tecnologia DO Brasil LTDA. (Infosys Brasil)[25]	Brazil	-	100%
Infosys Nova Holdings LLC. (Infosys Nova)	U.S.	100%	100%
EdgeVerve Systems Limited (EdgeVerve)	India	100%	100%
Infosys Austria GmbH[1] (formerly Lodestone Management Consultants GmbH)	Austria	100%	100%
Skava Systems Pvt. Ltd. (Skava Systems)	India	100%	100%
Kallidus Inc, (Kallidus)	U.S.	100%	100%
Infosys Chile SpA	Chile	100%	100%
Infosys Arabia Limited[2]	Saudi Arabia	70%	70%
Infosys Consulting Ltda.[2]	Brazil	100%	99.99%
Infosys CIS LLC[1][18][26]	Russia	-	-
Infosys Luxembourg S.a.r.l [1][13]	Luxembourg	100%	100%
Infosys Americas Inc., (Infosys Americas)	U.S.	100%	100%
Infosys Technologies (Australia) Pty. Limited (Infosys Australia)[3]	Australia	-	100%
Infosys Public Services, Inc. USA (Infosys Public Services)	U.S.	100%	100%
Infosys Canada Public Services Inc[19]	Canada	-	-
Infosys BPM Limited	India	99.99%	99.98%
Infosys (Czech Republic) Limited s.r.o.[4]	Czech Republic	99.99%	99.98%
Infosys Poland, Sp z.o.o[4]	Poland	99.99%	99.98%
Infosys McCamish Systems LLC[4]	U.S.	99.99%	99.98%
Portland Group Pty Ltd[4]	Australia	99.99%	99.98%
Infosys BPO Americas LLC.[4]	U.S.	99.99%	99.98%
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland	100%	100%
Lodestone Management Consultants Inc.[5][11]	U.S.	-	-
Infosys Management Consulting Pty Limited[5]	Australia	100%	100%
Infosys Consulting AG[5]	Switzerland	100%	100%
Infosys Consulting GmbH[5]	Germany	100%	100%
Infosys Consulting S.R.L.[1]	Romania	100%	100%
Infosys Consulting SAS[5]	France	100%	100%
Infosys Consulting s.r.o.[5]	Czech Republic	100%	100%
Infosys Consulting (Shanghai) Co., Ltd.(*formerly Lodestone Management Consultants Co., Ltd)*[5]	China	100%	100%
Infy Consulting Company Ltd[5]	U.K.	100%	100%
Infy Consulting B.V.[5]	The Netherlands	100%	100%
Infosys Consulting Sp. z.o.o[32]	Poland	99.99%	100%
Lodestone Management Consultants Portugal, Unipessoal, Lda.[5]	Portugal	100%	100%
Infosys Consulting S.R.L.[5]	Argentina	100%	100%
Infosys Consulting (Belgium) NV (formerly Lodestone Management Consultants (Belgium) S.A.)[6]	Belgium	99.90%	99.90%
Panaya Inc. (Panaya)	U.S.	100%	100%
Panaya Ltd. [7]	Israel	100%	100%
Panaya GmbH[7]	Germany	100%	100%
Panaya Japan Co. Ltd[7][31]	Japan	-	100%
Brilliant Basics Holdings Limited (Brilliant Basics)	U.K.	100%	100%
Brilliant Basics Limited[8]	U.K.	100%	100%
Brilliant Basics (MENA) DMCC[8][26]	Dubai	100%	100%
Infosys Consulting Pte Limited (Infosys Singapore)[1]	Singapore	100%	100%
Infosys Middle East FZ LLC[9]	Dubai	100%	100%
Fluido Oy[9][14]	Finland	100%	100%
Fluido Sweden AB (Extero)[15]	Sweden	100%	100%
Fluido Norway A/S[15]	Norway	100%	100%
Fluido Denmark A/S[15]	Denmark	100%	100%
Fluido Slovakia s.r.o[15]	Slovakia	100%	100%
Fluido Newco AB[15]	Sweden	100%	100%
Infosys Compaz Pte. Ltd (formerly Trusted Source Pte. Ltd)[16]	Singapore	60%	60%
Infosys South Africa (Pty) Ltd[9][17]	South Africa	-	-
WongDoody Holding Company Inc. (WongDoody)[10]	U.S.	100%	100%
WDW Communications, Inc[12]	U.S.	100%	100%
WongDoody, Inc[12]	U.S.	100%	100%

HIPUS[20]	Japan	81%	-
Stater N.V.[21]	The Netherlands	75%	-
Stater Nederland B.V.[22]	The Netherlands	75%	-
Stater Duitsland B.V.[22]	The Netherlands	75%	-
Stater XXL B.V.[22]	The Netherlands	75%	-
HypoCasso B.V.[22]	The Netherlands	75%	-
Stater Participations B.V.[22]	The Netherlands	75%	-
Stater Deutschland Verwaltungs-GmbH[23]	Germany	75%	-
Stater Deutschland GmbH & Co. KG[23]	Germany	75%	-
Stater Belgium N.V./S.A.[24]	Belgium	53.99%	-
Outbox systems Inc. dba Simplus (US)[27]	U.S.	100%	-
Simplus Australia Pty Ltd[30]	Australia	100%	-
Sqware Peg Digital Pty Ltd[30]	Australia	100%	-
Simplus Philippines, Inc.[28]	Philippines	100%	-
Simplus Europe, Ltd.[28]	U.K.	100%	-
Simplus U.K., Ltd.[29]	U.K.	100%	-
Simplus Ireland, Ltd.[29]	Ireland	100%	-

[1] *Wholly-owned subsidiary of Infosys Limited*

[2] *Majority owned and controlled subsidiary of Infosys Limited*

[3] *Liquidated effective November 17, 2019*

[4] *Wholly owned subsidiary of Infosys BPM*

[5] *Wholly owned subsidiary of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*

[6] *Majority owned and controlled subsidiary of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*

[7] *Wholly owned subsidiary of Panaya Inc*

[8] *Wholly-owned subsidiary of Brilliant Basics Holding Limited.*

[9] *Wholly-owned subsidiary of Infosys Consulting Pte Ltd*

[10] *On May 22, 2018, Infosys acquired 100% of the voting interest in WongDoody*

[11] *Liquidated effective May 4, 2018*

[12] *Wholly-owned subsidiary of WongDoody*

[13] *Incorporated effective August 6, 2018*

[14] *On October 11, 2018, Infosys Consulting Pte. Ltd, acquired 100% of the voting interests in Fluido Oy and its subsidiaries*

[15] *Wholly-owned subsidiary of Fluido Oy*

[16] *On November 16, 2018 , Infosys Consulting Pte. Ltd, acquired 60% of the voting interest in Infosys Compaz Pte. Ltd*

[17] *Incorporated effective December 19,2018*

[18] *Incorporated effective November 29, 2018*

[19] *Incorporated effective November 27, 2018, wholly owned subsidiary of Infosys Public Services Inc*

[20] *On April 1, 2019, Infosys Consulting Pte. Ltd, acquired 81% of the voting interests in HIPUS Co. Ltd, Japan*

[21] *On May 23, 2019, Infosys Consulting Pte. Ltd, acquired 75% of the voting interests in Stater N.V.*

[22] *Majority owned and controlled subsidiary of Stater N.V*

[23] *Majority owned and controlled subsidiary of Stater Duitsland B.V.*

[24] *Majority owned and controlled subsidiary of Stater Participations B.V.*

[25] *Effective October 1, 2019, merged into Infosys Consulting Ltda, a majority owned and controlled subsidiary of Infosys Ltd.*

[26] *Under Liquidation*

[27] *On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.*

[28] *Wholly-owned subsidiary of Outbox Systems Inc.*

[29] *Wholly-owned subsidiary of Simplus Europe, Ltd.*

[30] *Wholly-owned subsidiary of Simplus ANZ Pty Ltd.*

[31] *Liquidated effective October 31, 2019*

[32] *On February 20, 2020, Infosys Poland, Sp z.o.o, acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG (formerly Lodestone Holding AG).*

Infosys has provided guarantee for performance of certain contracts entered into by its subsidiaries.

List of other related party

Particulars	Country	Nature of relationship
Infosys Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Provident Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys
Infosys BPM Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys BPM
Infosys BPM Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys BPM
EdgeVerve Systems Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of EdgeVerve
EdgeVerve Systems Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of EdgeVerve
Infosys Employees Welfare Trust	India	Controlled trust
Infosys Employee Benefits Trust	India	Controlled trust
Infosys Science Foundation	India	Controlled trust
Infosys Expanded Stock Ownership Trust *	India	Controlled trust

Refer note no. 2.20 for information on transactions with post-employment benefit plans mentioned above.

** Registered on May 15, 2019*

List of key management personnel

Whole-time Directors

Salil Parekh , Chief Executive Officer and Managing Director

U.B. Pravin Rao, Chief Operating Officer

Non-whole-time Directors

Nandan M. Nilekani

Micheal Gibbs (appointed as Independent director effective July 13, 2018)

Ravi Venkatesan (resigned as member of the Board effective May 11, 2018)

Kiran Mazumdar-Shaw

Roopa Kudva (retired as member of the Board effective February 3, 2020)

Dr. Punita Kumar-Sinha

D.N. Prahlad

D. Sundaram

Executive Officers

Nilanjan Roy (appointed as Chief Financial Officer effective March 1, 2019)

Jayesh Sanghrajka (appointed as Interim-Chief Financial Officer effective November 17, 2018. He resumed his responsibilities as Deputy Chief Financial Officer effective March 1, 2019).

M.D. Ranganath (resigned as Chief Financial Officer effective November 16, 2018)

Mohit Joshi, President

Ravi Kumar S, President and Deputy Chief Operating Officer

Krishnamurthy Shankar, Group Head - Human Resources

Inderpreet Sawhney, Group General Counsel and Chief Compliance Officer

Company Secretary

A.G.S. Manikantha

Transaction with key management personnel:

The related party transactions with above KMP which comprise directors and executive officers are as follows :

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2020	2019	2020	2019
Salaries and other employee benefits to whole-time directors and executive officers [(1)(2)(3)]	29	29	118	96
Commission and other benefits to non-executive/independent directors	2	2	8	8
Total	**31**	**31**	**126**	**104**

[(1)] *Total employee stock compensation expense for the three months ended March 31, 2020 and March 31, 2019 includes a charge of ₹11 crore and ₹10 crore, respectively, towards key managerial personnel. For the year ended March 31, 2020 and March 31, 2019, includes a charge of ₹56 crore and ₹33 crore respectively, towards key managerial personnel. (Refer to note 2.11)*

[(2)] *On December 20, 2018, the Board appointed Nilanjan Roy as the Chief Financial Officer of the Company with effect from March 1, 2019.*

[(3)] *Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.*

2.24 SEGMENT REPORTING

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. The Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the accounting policies.

Business segments of the Group are primarily enterprises in Financial Services and Insurance, enterprises in Manufacturing, enterprises in Retail, Consumer Packaged Goods and Logistics, enterprises in the Energy, Utilities, Resources and Services, enterprises in Communication, Telecom OEM and Media, enterprises in Hi-Tech, enterprises in Life Sciences and Healthcare and all other segments. The Financial services reportable segments has been aggregated to include the Financial Services operating segment and Finacle operating segment because of the similarity of the economic characteristics. All other segments represent the operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services .

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for 'all other segments' represents revenue generated by Infosys Public services and revenue generated from customers located in India, Japan and China and other enterprises in Public services. Allocated expenses of segments include expenses incurred for rendering services from the Group's offshore software development centers and on-site expenses, which are categorized in relation to the associated efforts of the segment. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. The management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the Group.

Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between segments. The management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

Business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

Disclosure of revenue by geographic locations is given in note 2.16 Revenue from operations.

Business Segments

Three months ended March 31, 2020 and *March 31, 2019:*

(In ₹ crore)

Particulars	**Financial Services**	**Retail**	**Communication**	**Energy, Utilities, Resources and Services**	**Manufacturing**	**Hi-Tech**	**Life Sciences**	**All other segments**	**Total**
Revenue from operations	7,282	3,622	3,017	2,992	2,363	1,831	1,484	676	**23,267**
	6,805	*3,416*	*2,921*	*2,747*	*2,161*	*1,650*	*1,287*	*552*	*21,539*
Identifiable operating expenses	3,808	1,790	1,769	1,481	1,246	1,056	827	422	**12,399**
	3,614	*1,705*	*1,731*	*1,500*	*1,190*	*984*	*694*	*348*	*11,766*
Allocated expenses	1,611	774	688	655	560	344	313	217	**5,162**
	1,470	*694*	*612*	*613*	*500*	*290*	*270*	*167*	*4,616*
Segmental operating income	**1,863**	**1,058**	**560**	**856**	**557**	**431**	**344**	**37**	**5,706**
	1,721	*1,017*	*578*	*634*	*471*	*376*	*323*	*37*	*5,157*
Unallocable expenses*									779
									539
Other income, net (Refer to note 2.17)									614
									665
Finance costs (Refer to note 2.19)									(45)
									-
Reduction in the fair value of Disposal Group held for sale									-
									-
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" (Refer to note 2.1.2)									-
									-
Profit before tax									**5,496**
									5,283
Income Tax Expense									1,161
									1,205
Net Profit									**4,335**
									4,078
Depreciation and amortization expense									749
									531
Non-cash expenses other than depreciation and amortization									30
									8

*Unallocable expenses for the three months ended March 31, 2020 includes amortization on ROU assets consequent to adoption of Ind AS 116 - Leases effective April 1, 2019

Year ended March 31, 2020 and *March 31, 2019:*

(In ₹ crore)

Particulars	Financial Services	Retail	Communication	Energy, Utilities, Resources and Services	Manufacturing	Hi-Tech	Life Sciences	All other segments	Total
Revenue from operations	**28,625**	**14,035**	**11,984**	**11,736**	**9,131**	**6,972**	**5,837**	**2,471**	**90,791**
	26,477	*13,556*	*10,426*	*10,390*	*8,152*	*6,177*	*5,203*	*2,294*	*82,675*
Identifiable operating expenses	14,977	6,989	7,084	6,104	4,991	4,125	3,212	1,486	**48,968**
	14,164	*6,823*	*5,720*	*5,661*	*4,513*	*3,546*	*2,756*	*1,415*	*44,598*
Allocated expenses	6,342	2,834	2,476	2,416	2,081	1,243	1,194	921	**19,507**
	5,435	*2,699*	*2,189*	*2,187*	*1,786*	*1,083*	*1,028*	*763*	*17,170*
Segmental operating income	**7,306**	**4,212**	**2,424**	**3,216**	**2,059**	**1,604**	**1,431**	**64**	**22,316**
	6,878	*4,034*	*2,517*	*2,542*	*1,853*	*1,548*	*1,419*	*116*	*20,907*
Unallocable expenses*									2,942
									2,027
Other income, net (Refer to note 2.17)									2,803
									2,882
Finance costs (Refer to note 2.19)									(170)
									-
Reduction in the fair value of Disposal Group held for sale (Refer to note 2.1.2)									-
									(270)
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" (Refer to note 2.1.2)									-
									(451)
Profit before tax									**22,007**
									21,041
Income Tax Expense									5,368
									5,631
Net Profit									**16,639**
									15,410
Depreciation and amortization expense									2,893
									2,011
Non-cash expenses other than depreciation and amortization									49
									740

*Unallocable expenses for the year ended March 31, 2020 includes amortization on ROU assets consequent to adoption of Ind AS 116 - Leases effective April 1, 2019

Significant clients

No client individually accounted for more than 10% of the revenues in the three months and year ended March 31, 2020 and March 31, 2019

2.25 FUNCTION WISE CLASSIFICATION OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(In ₹ crore)

Particulars	Note no	Three months ended March 31,		Year ended March 31,	
		2020	2019	2020	2019
Revenue from operations	2.16	23,267	21,539	90,791	82,675
Cost of Sales		15,501	14,283	60,732	53,867
Gross profit		**7,766**	**7,256**	**30,059**	**28,808**
Operating expenses					
Selling and marketing expenses		1,172	1,226	4,711	4,473
General and administration expenses		1,667	1,412	5,974	5,455
Total operating expenses		2,839	2,638	10,685	9,928
Operating profit		**4,927**	**4,618**	**19,374**	**18,880**
Reduction in the fair value of Disposal Group held for sale	2.1.2	-	-	-	270
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.1.2	-	-	-	451
Other income, net	2.17	614	665	2,803	2,882
Finance cost	2.19	45	-	170	-
Profit before tax		**5,496**	**5,283**	**22,007**	**21,041**
Tax expense:					
Current tax	2.15	1,335	1,193	5,775	5,727
Deferred tax	2.15	(174)	12	(407)	(96)
Profit for the period		**4,335**	**4,078**	**16,639**	**15,410**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset	2.20 and 2.15	(21)	(3)	(180)	(22)
Equity instruments through other comprehensive income, net	2.4 and 2.15	(2)	1	(33)	70
		(23)	**(2)**	**(213)**	**48**
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net	2.10 and 2.15	-	(15)	(36)	21
Exchange differences on translation of foreign operations, net		237	(70)	378	63
Fair value changes on investments, net	2.4 and 2.15	15	25	22	2
		252	**(60)**	**364**	**86**
Total other comprehensive income / (loss), net of tax		**229**	**(62)**	**151**	**134**
Total comprehensive income for the period		**4,564**	**4,016**	**16,790**	**15,544**
Profit attributable to:					
Owners of the Company		4,321	4,074	16,594	15,404
Non-controlling interests		14	4	45	6
		4,335	**4,078**	**16,639**	**15,410**
Total comprehensive income attributable to:					
Owners of the Company		4,545	4,012	16,732	15,538
Non-controlling interests		19	4	58	6
		4,564	**4,016**	**16,790**	**15,544**

for and on behalf of the Board of Directors of Infosys Limited

Nandan M. Nilekani	Salil Parekh	U.B. Pravin Rao
Chairman	*Chief Executive Officer and Managing Director*	*Chief Operating Officer and Whole-time Director*
D. Sundaram	Nilanjan Roy	A.G.S. Manikantha
Director	*Chief Financial Officer*	*Company Secretary*

Bengaluru
April 20, 2020

Deloitte
Haskins & Sells LLP

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INFOSYS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **INFOSYS LIMITED** (the "Company") and its subsidiaries, (the Company and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	***Fixed price contracts using the percentage of completion method*** Fixed price maintenance revenue is recognized either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or using percentage of completion method when the pattern of benefits from services rendered to the customer and Group's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time has been recognized using the percentage-of-completion method. Use of the percentage-of-completion method requires the Group to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. We identified the estimate of total efforts or efforts to complete fixed price contracts measured using the percentage of completion method as a key audit matter as the estimation of efforts or costs involves significant judgement throughout the period of the contract and is subject to revision as the contract progresses based on the latest available information. This estimate has a high inherent uncertainty and requires consideration of progress of the contract, efforts or costs incurred to-date and estimates of efforts or costs required to complete the remaining contract performance obligations over the lives of the contracts. Refer Notes 1.5(a) and 2.16 to the consolidated financial statements.	***Principal Audit Procedures*** Our audit procedures related to estimates of total expected costs or efforts to complete for fixed-price contracts included the following, among others: We tested the effectiveness of controls relating to (1) recording of efforts or costs incurred and estimation of efforts or costs required to complete the remaining contract performance obligations and (2) access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of efforts incurred. We selected a sample of fixed price contracts with customers accounted using percentage-of-completion method and performed the following: • Compared efforts or costs incurred with Group's estimate of efforts or costs incurred to date to identify significant variations and evaluate whether those variations have been considered appropriately in estimating the remaining costs or efforts to complete the contract. • Tested the estimate for consistency with the status of delivery of milestones and customer acceptances and sign off from customers to identify possible delays in achieving milestones, which require changes in estimated costs or efforts to complete the remaining performance obligations.

Sr. No.	Key Audit Matter	Auditor's Response
2	***Allowance for credit losses*** The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. We identified allowance for credit losses as a key audit matter because the Group exercises significant judgment in calculating the expected credit losses. Refer Notes 1.5(h), 2.7 and 2.10 to the consolidated financial statements.	***Principal Audit Procedures*** Our audit procedures related to the allowance for credit losses for trade receivables and unbilled revenue included the following, among others: We tested the effectiveness of controls over the (1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions (2) completeness and accuracy of information used in the estimation of probability of default and (3) computation of the allowance for credit losses. For a sample of customers: We tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information. We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Group.

Emphasis of Matter

As more fully described in Note 2.22 to the consolidated financial statements, the Company is responding to inquiries from Indian regulatory authorities. The scope, duration or outcome of these matters are uncertain.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our 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**Error! Bookmark not defined.**.

Management's Responsibilities for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial 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 and its subsidiary companies which

are companies incorporated in India, has adequate internal financial controls system 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 the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 of the aforesaid consolidated

financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Boards of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 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 over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)



Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
UDIN:

Place: Mumbai
Date: April 20, 2020

Deloitte
Haskins & Sells LLP

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Infosys Limited of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **Infosys Limited** (hereinafter referred to as the "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Boards of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI") and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Deloitte
Haskins & Sells LLP

Meaning of Internal Financial Controls over Financial Reporting

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

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal financial control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)



Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
UDIN:

Place: Mumbai
Date: April 20, 2020

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Financial Statements under Indian Accounting Standards (Ind AS) for the year ended March 31, 2020

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INFOSYS LIMITED AND SUBSIDIARIES

(In ₹ crore)

Consolidated Balance Sheets as at	Note No.	March 31, 2020	March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2.2	12,435	11,479
Right-of-use assets	2.19	4,168	-
Capital work-in-progress		954	1,388
Goodwill	2.3.1 and 2.1	5,286	3,540
Other intangible assets	2.3.2	1,900	691
Financial assets:			
Investments	2.4	4,137	4,634
Loans	2.5	21	19
Other financial assets	2.6	737	312
Deferred tax assets (net)	2.15	1,744	1,372
Income tax assets (net)	2.15	5,384	6,320
Other non-current assets	2.9	1,426	2,105
Total non-current assets		**38,192**	**31,860**
Current assets			
Financial assets:			
Investments	2.4	4,655	6,627
Trade receivables	2.7	18,487	14,827
Cash and cash equivalents	2.8	18,649	19,568
Loans	2.5	239	241
Other financial assets	2.6	5,457	5,505
Income tax assets (net)	2.15	7	423
Other Current assets	2.9	7,082	5,687
Total current assets		**54,576**	**52,878**
Total assets		**92,768**	**84,738**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	2,122	2,170
Other equity		63,328	62,778
Total equity attributable to equity holders of the Company		65,450	64,948
Non-controlling interests		394	58
Total equity		**65,844**	**65,006**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Lease liabilities	2.19	4,014	-
Other financial liabilities	2.12	807	147
Deferred tax liabilities (net)	2.15	968	672
Other non-current liabilities	2.13	279	275
Total non-current liabilities		**6,068**	**1,094**
Current liabilities			
Financial Liabilities			
Trade payables		2,852	1,655
Lease liabilities	2.19	619	-
Other financial liabilities	2.12	10,481	10,452
Other current liabilities	2.13	4,842	4,388
Provisions	2.14	572	576
Income tax liabilities (net)	2.15	1,490	1,567
Total current liabilities		**20,856**	**18,638**
Total equity and liabilities		**92,768**	**84,738**

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar	Nandan M. Nilekani	Salil Parekh	U.B. Pravin Rao
Partner	*Chairman*	*Chief Executive Officer*	*Chief Operating Officer*
Membership No. 39826		*and Managing Director*	*and Whole-time Director*
Bengaluru	D. Sundaram	Nilanjan Roy	A.G.S. Manikantha
April 20, 2020	*Director*	*Chief Financial Officer*	*Company Secretary*

INFOSYS LIMITED AND SUBSIDIARIES

(in ₹ crore, except equity share and per equity share data)

Consolidated Statement of Profit and Loss		**Year ended March 31,**	
	Note No.	**2020**	**2019**
Revenue from operations	2.16	90,791	82,675
Other income, net	2.17	2,803	2,882
Total income		**93,594**	**85,557**
Expenses			
Employee benefit expenses	2.18	50,887	45,315
Cost of technical sub-contractors		6,714	6,033
Travel expenses		2,710	2,433
Cost of software packages and others	2.18	2,703	2,553
Communication expenses		528	471
Consultancy and professional charges		1,326	1,324
Depreciation and amortisation expenses	2.2 and 2.3.2	2,893	2,011
Finance cost	2.19	170	-
Other expenses	2.18	3,656	3,655
Reduction in the fair value of Disposal Group held for sale	2.1.2	-	270
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.1.2	-	451
Total expenses		**71,587**	**64,516**
Profit before tax		**22,007**	**21,041**
Tax expense:			
Current tax	2.15	5,775	5,727
Deferred tax	2.15	(407)	(96)
Profit for the period		**16,639**	**15,410**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset. net	2.20 and 2.15	(180)	(22)
Equity instruments through other comprehensive income, net	2.4 and 2.15	(33)	70
		(213)	**48**
Items that will be reclassified subsequently to profit or loss			
Fair value changes on derivatives designated as cash flow hedge, net	2.10 and 2.15	(36)	21
Exchange differences on translation of foreign operations		378	63
Fair value changes on investments, net	2.4 and 2.15	22	2
		364	**86**
Total other comprehensive income /(loss), net of tax		**151**	**134**
Total comprehensive income for the period		**16,790**	**15,544**
Profit attributable to:			
Owners of the Company		16,594	15,404
Non-controlling interests		45	6
		16,639	**15,410**
Total comprehensive income attributable to:			
Owners of the Company		16,732	15,538
Non-controlling interests		58	6
		16,790	**15,544**
Earnings per Equity share			
Equity shares of par value ₹5/- each			
Basic (₹)		38.97	35.44
Diluted (₹)		38.91	35.38
Weighted average equity shares used in computing earnings per equity share	2.21		
Basic		4,257,754,522	4,347,130,157
Diluted		4,265,144,228	4,353,420,772

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar	Nandan M. Nilekani	Salil Parekh	U.B. Pravin Rao
Partner	*Chairman*	*Chief Executive Officer*	*Chief Operating Officer*
Membership No. 39826		*and Managing Director*	*and Whole-time Director*
Bengaluru	D. Sundaram	Nilanjan Roy	A.G.S. Manikantha
April 20, 2020	*Director*	*Chief Financial Officer*	*Company Secretary*

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

(In ₹ crore)

Particulars	OTHER EQUITY															
		RESERVES & SURPLUS								Other comprehensive income						
	Equity Share capital [1]	Securities Premium	Retained earnings	Capital reserve	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [2]	Other reserves[3]	Capital redemption reserve	Equity instruments through other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)	Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance as at April 1, 2018	**1,088**	**36**	**58,477**	**54**	**2,725**	**130**	**1,583**	**5**	**56**	**2**	**779**	**-**	**(12)**	**64,923**	1	**64,924**
Changes in equity for the year ended March 31, 2019																
Profit for the period	-	-	15,404	-	-	-	-	-	-	-	-	-	-	15,404	6	15,410
Remeasurement of the net defined benefit liability/asset* (refer note no. 2.20.1 and 2.15)	-	-	-	-	-	-	-	-	-	-	-	-	(22)	(22)	-	(22)
Equity instruments through other comprehensive income* (refer to note no 2.4)	-	-	-	-	-	-	-	-	-	70	-	-	-	70	-	70
Fair value changes on derivatives designated as cash flow hedge*(refer note no. 2.10)	-	-	-	-	-	-	-	-	-	-	-	21	-	21	-	21
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	63	-	-	63	-	63
Fair value changes on investments* (refer to note no.2.4)	-	-	-	-	-	-	-	-	-	-	-	-	2	2	-	2
Total Comprehensive income for the period	**-**	**-**	**15,404**	**-**	**-**	**-**	**-**	**-**	**-**	**70**	**63**	**21**	**(20)**	**15,538**	**6**	**15,544**
Share based payments to employees (Refer to note 2.11)	-	-	-	-	-	197	-	-	-	-	-	-	-	197	-	197
Dividends (including dividend distribution tax)	-	-	(13,712)	-	-	-	-	-	-	-	-	-	-	(13,712)	-	(13,712)
Buyback of equity shares (Refer to note 2.11 & 2.12)	(6)	-	-	-	(1,994)	-	-	-	-	-	-	-	-	(2,000)	-	(2,000)
Non-controlling interests on acquisition of subsidiary (refer to note no.2.11)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	51	51
Exercise of stock options (refer to note no 2.11)	-	99	-	-	-	(99)	-	-	-	-	-	-	-	-	-	-
Transfer on account of options not exercised	-	-	-	-	1	(1)	-	-	-	-	-	-	-	-	-	-
Income tax benefit arising on exercise of stock options	-	8	-	-	-	-	-	-	-	-	-	-	-	8	-	8
Transfer to general reserve	-	-	(1,615)	-	1,615	-	-	-	-	-	-	-	-	-	-	-
Amount transferred to other reserves	-	-	(1)	-	-	-	-	1	-	-	-	-	-	-	-	-
Amount transferred to capital redemption reserve upon buyback (refer to note no. 2.11)	-	-	-	-	(5)	-	-	-	5	-	-	-	-	-	-	-
Shares issued on exercise of employee stock options - after bonus issue (Refer to note 2.11)	-	6	-	-	-	-	-	-	-	-	-	-	-	6	-	6
Transaction costs related to buyback* (refer to note no.2.11)	-	-	-	-	(12)	-	-	-	-	-	-	-	-	(12)	-	(12)
Transferred to Special Economic Zone Re-investment reserve	-	-	(2,417)	-	-	-	2,417	-	-	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	1,430	-	-	-	(1,430)	-	-	-	-	-	-	-	-	-
Increase in Equity share capital on account of bonus issue (refer to note no 2.11)	1,088	-	-	-	-	-	-	-	-	-	-	-	-	1,088	-	1,088
Amounts utilized for bonus issue (Refer to note 2.11)	-	-	-	-	(1,088)	-	-	-	-	-	-	-	-	(1,088)	-	(1,088)
Balance as at March 31, 2019	**2,170**	**149**	**57,566**	**54**	**1,242**	**227**	**2,570**	**6**	**61**	**72**	**842**	**21**	**(32)**	**64,948**	**58**	**65,006**

Consolidated Statement of Changes in Equity (contd.)

(In ₹ crore)

Particulars	OTHER EQUITY															
		RESERVES & SURPLUS								Other comprehensive income						
	Equity Share capital [1]	Securities Premium	Retained earnings	Capital reserve	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [2]	Other reserves[3]	Capital redemption reserve	Equity instruments through Other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)	Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance as at April 1, 2019	**2,170**	**149**	**57,566**	**54**	**1,242**	**227**	**2,570**	**6**	**61**	**72**	**842**	**21**	**(32)**	**64,948**	**58**	**65,006**
Impact on account of adoption of Ind AS 116 (Refer to note 2.19)*	-	-	(40)	-	-	-	-	-	-	-	-	-	-	(40)	-	(40)
	2,170	**149**	**57,526**	**54**	**1,242**	**227**	**2,570**	**6**	**61**	**72**	**842**	**21**	**(32)**	**64,908**	**58**	**64,966**
Changes in equity for the year ended March 31, 2020																
Profit for the period	-	-	16,594	-	-	-	-	-	-	-	-	-	-	16,594	45	16,639
Remeasurement of the net defined benefit liability/asset* (refer note no. 2.20.1 and 2.15)	-	-	-	-	-	-	-	-	-	-	-	-	(180)	(180)	-	(180)
Equity instruments through other comprehensive income* (refer to note no.2.4)	-	-	-	-	-	-	-	-	-	(33)	-	-	-	(33)	-	(33)
Fair value changes on derivatives designated as cash flow hedge* (refer note no. 2.10)	-	-	-	-	-	-	-	-	-	-	-	(36)	-	(36)	-	(36)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	365	-	-	365	13	378
Fair value changes on investments* (refer to note no.2.4)	-	-	-	-	-	-	-	-	-	-	-	-	22	22	-	22
Total Comprehensive income for the period	**-**	**-**	**16,594**	**-**	**-**	**-**	**-**	**-**	**-**	**(33)**	**365**	**(36)**	**(158)**	**16,732**	**58**	**16,790**
Shares issued on exercise of employee stock options (Refer to note 2.11)	1	5	-	-	-	-	-	-	-	-	-	-	-	6	-	6
Buyback of equity shares (Refer to note 2.11 & 2.12)	(49)	-	(4,717)	-	(1,494)	-	-	-	-	-	-	-	-	(6,260)	-	(6,260)
Transaction costs relating to buyback * (Refer to note 2.11)	-	-	-	-	(11)	-	-	-	-	-	-	-	-	(11)	-	(11)
Amount transferred to capital redemption reserve upon buyback (Refer to note 2.11)	-	-	-	-	(50)	-	-	-	50	-	-	-	-	-	-	-
Employee stock compensation expense (refer to note 2.11)	-	-	-	-	-	238	-	-	-	-	-	-	-	238	-	238
Exercise of stock options (refer to note no. 2.11)	-	119	-	-	-	(119)	-	-	-	-	-	-	-	-	-	-
Transfer on account of options not exercised	-	-	-	-	1	(1)	-	-	-	-	-	-	-	-	-	-
Effect of modification of equity settled share based payment awards to cash settled awards (Refer to note 2.11)	-	-	(9)	-	-	(48)	-	-	-	-	-	-	-	(57)	-	(57)
Income tax benefit arising on exercise of stock options	-	9	-	-	-	-	-	-	-	-	-	-	-	9	-	9
Financial liability under option arrangements (refer to note 2.1)	-	-	(598)	-	-	-	-	-	-	-	-	-	-	(598)	-	(598)
Dividends paid to non controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(33)	(33)
Dividends (including dividend distribution tax)	-	-	(9,517)	-	-	-	-	-	-	-	-	-	-	(9,517)	-	(9,517)
Non-controlling interests on acquisition of subsidiary (refer to note no.2.11)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	311	311
Transfer to general reserve	-	-	(1,470)	-	1,470	-	-	-	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(2,580)	-	-	-	2,580	-	-	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	1,080	-	-	-	(1,080)	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	**2,122**	**282**	**56,309**	**54**	**1,158**	**297**	**4,070**	**6**	**111**	**39**	**1,207**	**(15)**	**(190)**	**65,450**	**394**	**65,844**

** Net of tax*

(1) Net of treasury shares

(2) The Special Economic Zone Re-investment Reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Sec 10AA(1)(ii) of Income Tax Act,1961. The reserve should be utilized by the Group for acquiring new plant and machinery for the purpose of its business in the terms of the Sec 10AA(2) of the Income Tax Act, 1961.

(3) Under the Swiss Code of Obligation, few subsidiaries of Infosys Lodestone are required to appropriate a certain percentage of the annual profit to legal reserve which may be used only to cover losses or for measures designed to sustain the Company through difficult times, to prevent unemployment or to mitigate its consequences.

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer
and Managing Director

U.B. Pravin Rao
Chief Operating Officer
and Whole-time Director

Bengaluru
April 20, 2020

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A.G.S. Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Statement of Cash Flows

Accounting policy

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(In ₹ crore)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities			
Profit for the period		16,639	15,410
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.15	5,368	5,631
Depreciation and amortization	2.2 and 2.3.2	2,893	2,011
Interest and dividend income		(1,613)	(2,052)
Finance cost	2.19	170	-
Impairment loss recognized / (reversed) under expected credit loss model		161	239
Exchange differences on translation of assets and liabilities		184	66
Reduction in the fair value of Disposal Group held for sale	2.1.2	-	270
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.1.2	-	451
Stock compensation expense	2.11	249	202
Other adjustments		(131)	(102)
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(3,861)	(2,881)
Loans, other financial assets and other assets		76	(700)
Trade payables		(373)	916
Other financial liabilities, other liabilities and provisions		1,791	2,212
Cash generated from operations		**21,553**	**21,673**
Income taxes paid		(4,550)	(6,832)
Net cash generated by operating activities		**17,003**	**14,841**
Cash flows from investing activities			
Expenditure on property, plant and equipment		(3,307)	(2,445)
Loans to employees		-	14
Deposits placed with corporation		(108)	(24)
Interest and dividend received		1,929	1,557
Payment towards acquisition of business, net of cash acquired		(1,860)	(550)
Payment of contingent consideration pertaining to acquisition of business		(6)	(18)
Advance payment towards acquisition of business		-	(206)
Redemption of escrow pertaining to Buyback	2.6	257	(257)
Other receipts		46	-
Payments to acquire Investments			
Preference, equity securities and others		(41)	(21)
Tax free bonds and government bonds		(19)	(17)
Liquid mutual funds and fixed maturity plan securities		(34,839)	(78,355)
Non convertible debentures		(993)	(160)
Certificates of deposit		(1,114)	(2,393)
Government securities		(1,561)	(838)
Commercial paper		-	(491)
Others		(29)	(19)
Proceeds on sale of financial assets			
Tax free bonds and government bonds		87	1
Non-convertible debentures		1,888	738
Government securities		1,674	123
Commercial paper		500	300
Certificates of deposit		2,545	5,540
Liquid mutual funds and fixed maturity plan securities		34,685	76,821
Preference and equity securities		27	115
Others		-	10
Net cash (used in)/from in investing activities		**(239)**	**(575)**

Cash flows from financing activities:			
Payment of lease liabilities	2.19	(571)	-
Payment of dividends (including dividend distribution tax)		(9,515)	(13,705)
Payment of dividend to non-controlling interest of subsidiary		(33)	-
Shares issued on exercise of employee stock options		6	6
Buyback of equity shares including transaction cost		(7,478)	(813)
Net cash used in financing activities		**(17,591)**	**(14,512)**
Net increase / (decrease) in cash and cash equivalents		(827)	(246)
Cash and cash equivalents at the beginning of the period	2.8	19,568	19,871
Effect of exchange rate changes on cash and cash equivalents		(92)	(57)
Cash and cash equivalents at the end of the period	2.8	**18,649**	**19,568**
Supplementary information:			
Restricted cash balance	2.8	396	358

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

As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

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Partner	*Chairman*	*Chief Executive Officer*	*Chief Operating Officer*
Membership No. 39826		*and Managing Director*	*and Whole-time Director*
Bengaluru	D. Sundaram	Nilanjan Roy	A.G.S. Manikantha
April 20, 2020	*Director*	*Chief Financial Officer*	*Company Secretary*

INFOSYS LIMITED AND SUBSIDIARIES

Notes to the consolidated financial statements

1. Overview

1.1 Company overview

Infosys Limited ('the Company' or Infosys) is a leading provider of consulting, technology, outsourcing and next-generation digital services, enabling clients to execute strategies for their digital transformation. Infosys strategic objective is to build a sustainable organization that remains relevant to the agenda of clients, while creating growth opportunities for employees and generating profitable returns for investors. Infosys strategy is to be a navigator for our clients as they ideate, plan and execute on their journey to a digital future.

Infosys together with its subsidiaries and controlled trusts is hereinafter referred to as 'the Group'.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Electronics city, Hosur Road, Bengaluru 560100, Karnataka, India. The Company has its primary listings on the BSE Ltd. and National Stock Exchange of India Limited. The Company's American Depositary Shares (ADS) representing equity shares are listed on the New York Stock Exchange (NYSE).

The Group's consolidated financial statements are approved for issue by the Company's Board of Directors on April 20, 2020.

1.2 Basis of preparation of financial statements

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As the year figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year figures reported in this statement.

1.3 Basis of consolidation

Infosys consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its controlled trusts and its subsidiaries, as disclosed in Note no. 2.23. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group Companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are excluded.

1.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in Note no. 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

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

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group . The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

1.5 Critical accounting estimates and judgements

a. Revenue recognition

The Group's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgement.

Fixed price maintenance revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed price maintenance contract is recognized ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Group's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of method to recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

The Group uses the percentage-of-completion method in accounting for other fixed-price contracts. Use of the percentage-of-completion method requires the Group to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

b. Income taxes

The Company's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other overseas jurisdictions.

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer to Note no. 2.15 and 2.22

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, 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 income over the periods in which the deferred income tax assets are deductible, management believes that the group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

c. Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Estimates are required to be made in determining the value of contingent consideration, value of option arrangements and intangible assets. These valuations are conducted by independent valuation experts. 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 (Refer to Note no 2.1 and 2.3.2).

d. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology (Refer to Note no 2.2).

e. Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGUs) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell.

Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises estimated long term growth rates, weighted average cost of capital and estimated operating margins. (Refer to Note no 2.3.1)

f. Non-current assets and Disposal Group held for sale

Assets and liabilities of Disposal Groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the Disposal Groups have been estimated using valuation techniques including income and market approach which includes unobservable inputs.

Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the Non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the Disposal Group no longer meets the " Held for sale" criteria. Recoverable amounts of assets reclassified from held for sale have been estimated using management's assumptions which consist of significant unobservable inputs (Refer to Note no 2.1.2).

g. 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 Group 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 Infosys'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 Group has concluded that no changes are required to lease period relating to the existing lease contracts (Refer to Note no. 2.19)

h. Loss allowance for receivables and unbilled revenues

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

2.1 BUSINESS COMBINATIONS AND DISPOSAL GROUP HELD FOR SALE

2.1.1 Business combinations

Accounting policy

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognized in the Statement of Profit and Loss.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

The payments related to options issued by the Group over the non-controlling interests in its subsidiaries are accounted as financial liabilities and initially recognized at the estimated present value of gross obligations. Such options are subsequently measured at fair value in order to reflect the amount payable under the option at the date at which it becomes exercisable. In the event that the option expires unexercised, the liability is derecognised.

Business combinations between entities under common control is accounted for at carrying value of the assets and liabilities in the Group's consolidated financial statements.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Wongdoody Holding Company Inc

On May 22, 2018, Infosys acquired 100% of the voting interests in WongDoody Holding Company Inc., (WongDoody) an US-based, full-service creative and consumer insights agency. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of up to $75 million (approximately ₹514 crore on acquisition date), which includes a cash consideration of $38 million (approximately ₹261 crore), contingent consideration of up to $28 million (approximately ₹192 crore on acquisition date) and an additional consideration of up to $9 million (approximately ₹61 crore on acquisition date), referred to as retention bonus, payable to the employees of WongDoody over the next three years, subject to their continuous employment with the group. Retention bonus is recognized in employee benefit expenses in the Statement of Profit and Loss over the period of service.

WongDoody, brings to Infosys the creative talent and marketing and brand engagement expertise. Further the acquisition is expected to strengthen Infosys' creative, branding and customer experience capabilities to bring innovative thinking, talent and creativity to clients.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets[*]	37	-	37
Intangible assets - customer relationships	-	132	132
Intangible assets - trade name	-	8	8
	37	140	177
Goodwill			173
Total purchase price			**350**

** Includes cash and cash equivalents acquired of ₹51 crore.*

Goodwill is tax deductible

The fair value of each major class of consideration as at the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash consideration	261
Fair value of contingent consideration	89
Total purchase price	**350**

The gross amount of trade receivables acquired and its fair value is ₹12 crore and the amount has been fully collected.

The payment of contingent consideration to sellers of WongDoody is dependent upon the achievement of certain financial targets by WongDoody. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 16% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as at March 31, 2020 is $19 million (₹145 crore).

The transaction costs of ₹3 crore related to the acquisition have been included in the statement of Profit and Loss for the year ended March 31, 2019.

Infosys Compaz Pte Limited (formerly Trusted Source Pte Ltd)

On November 16, 2018, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 60% stake in Infosys Compaz Pte. Ltd, a Singapore based IT services company. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of up to SGD 17 million (approximately ₹91 crore on acquisition date), which includes a cash consideration of SGD 10 million (approximately ₹54 crore) and a contingent consideration of up to SGD 7 million (approximately ₹37 crore on acquisition date).

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets[*]	92	-	92
Intangible assets - Customer contracts and relationships	-	44	44
Deferred tax liabilities on intangible assets	-	(7)	(7)
	92	**37**	**129**
Non-controlling interests			(51)
Total purchase price			**78**

** Includes cash and cash equivalents acquired of ₹65 crore.*

The fair value of each major class of consideration as at the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash consideration	54
Fair value of contingent consideration	24
Total purchase price	**78**

The gross amount of trade receivables acquired and its fair value is ₹50 crore and the amount has been substantially collected.

The payment of contingent consideration to sellers of Infosys Compaz Pte. Ltd is dependent upon the achievement of certain revenue targets by Infosys Compaz Pte. Ltd. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 9% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as at March 31, 2020 is SGD 7 million (₹37 crore).

The transaction costs of ₹3 crore related to the acquisition have been included in the statement of Profit and Loss for the year ended March 31, 2019.

Fluido Oy

On October 11, 2018, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 100% of voting interests in Fluido Oy (Fluido), a Nordic-based salesforce advisor and consulting partner in cloud consulting, implementation and training services for a total consideration of upto Euro 65 million (approximately ₹560 crore), comprising of cash consideration of Euro 45 million (approximately ₹388 crore), contingent consideration of upto Euro 12 million (approximately ₹103 crore) and retention payouts of upto Euro 8 million (approximately ₹69 crore), payable to the employees of Fluido over the next three years, subject to their continuous employment with the group.

Fluido brings to Infosys the Salesforce expertise, alongside an agile delivery process that simplifies and scales digital efforts across channels and touchpoints. Further, Fluido strengthens Infosys' presence across the Nordics region with developed assets and client relationships. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets[*]	12	-	12
Intangible assets - Customer contracts and relationships	-	158	158
Intangible assets - Salesforce Relationships	-	62	62
Intangible assets - Brand	-	28	28
Deferred tax liabilities on intangible assets	-	(52)	(52)
	12	**196**	**208**
Goodwill			240
Total purchase price			**448**

** Includes cash and cash equivalents acquired of ₹28 crore.*

Goodwill is not tax deductible

The fair value of each major class of consideration as of the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash consideration	388
Fair value of contingent consideration	60
Total purchase price	**448**

The gross amount of trade receivables acquired and its fair value is ₹27 crore and the amount has been fully collected.

The payment of contingent consideration to sellers of Fluido is dependent upon the achievement of certain financial targets by Fluido. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 16% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as at March 31, 2020 was EUR 9 million (₹73 crore).

The transaction costs of ₹5 crore related to the acquisition have been included in the Consolidated Statement of Profit and Loss for the year ended March 31, 2019.

HIPUS Co., Ltd (formerly, Hitachi Procurement Service Co. Ltd)

On April 1, 2019, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 81% of voting interests in HIPUS Co., Limited, a wholly owned subsidiary of Hitachi Ltd, Japan for a total cash consideration of JPY 3.29 billion (approximately ₹206 crore). The company has recorded a financial liability for the estimated present value of its gross obligation to purchase the Non-controlling interest as of the acquisition date in accordance with the share purchase agreement with a corresponding adjustment to equity (refer to note 2.12).

HIPUS handles indirect materials purchasing functions for the Hitachi Group. The entity is expected to provide end-to-end procurement capabilities, through its procurement function expertise, localized team and BPM networks in Japan. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets[*]	41	-	41
Intangible assets - Customer contracts and relationships	-	116	116
Deferred tax liabilities on intangible assets	-	(36)	(36)
	41	**80**	**121**
Goodwill			108
Less: Non-controlling Interest			(23)
Total purchase price			**206**

** Includes cash and cash equivalents acquired of ₹179 crore.*

Goodwill is not tax deductible

The gross amount of trade receivables acquired and its fair value is ₹1,400 crore and the amount has been fully collected. Trade payables as on the acquisition date amounted to ₹1,508 crore.

The transaction costs of ₹8 crore related to the acquisition have been included under administrative expenses in the statement of Profit and Loss for the year ended March 31, 2019.

Stater N.V.

On May 23, 2019, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 75% of voting interests in Stater N.V (Stater), a wholly-owned subsidiary of ABN AMRO Bank N.V., Netherland, for a total cash consideration of Euro 154 million (approximately ₹1,195 crore). The company has recorded a financial liability for the estimated present value of its gross obligation to purchase the Non-controlling interest as of the acquisition date in accordance with the share purchase agreement with a corresponding adjustment to equity (refer to note 2.12)

Stater brings European mortgage expertise and a robust digital platform to drive superior customer experience. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets[*]	541	-	541
Intangible assets - Customer contracts and relationships	-	549	549
Intangible assets - Technology	-	110	110
Intangible assets - Brand	-	24	24
Deferred tax liabilities on intangible assets	-	(140)	(140)
	541	**543**	**1,084**
Goodwill			399
Less: Non controlling interest			(288)
Total purchase price			**1,195**

** Includes cash and cash equivalents acquired of ₹505 crore.*

Goodwill is not tax deductible

The gross amount of trade receivables acquired and its fair value is ₹78 crore and the amount is substantially collected.

The transaction costs of ₹5 crore related to the acquisition have been included under administrative expenses in the statement of Profit and Loss for the year ended March 31, 2020.

Outbox systems Inc. dba Simplus

On March 13, 2020, Infosys Nova Holdings LLC (a wholly owned subsidiary of Infosys Limited) acquired 100% of voting interests in Outbox systems Inc. dba Simplus , a US based sales force advisor and consulting partner in cloud consulting, implementation and training services for a total consideration of up to $250 million (approximately ₹1,892 crore), comprising of cash consideration of $180 million (approximately ₹1,362 crore), contingent consideration of up to $20 million (approximately ₹151 crore), additional performance bonus and retention payouts of upto $50 million (approximately ₹378 crore) payable to the employees of Simplus over the next three years, subject to their continuous employment with the group and meeting certain targets. Performance and retention bonus is recognized in employee benefit expenses in the statement of Profit or Loss over the period of service.

Simplus brings to Infosys globally recognized Salesforce expertise, industry knowledge, solution assets, deep ecosystem relationships and a broad clientele, across a variety of industries. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill. Goodwill includes the value expected from addition of new customers and estimated synergies which does not qualify as an intangible asset.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets[*]	22	-	22
Intangible assets - Customer contracts and relationships	-	152	152
Intangible assets - Salesforce Relationships	-	325	325
Intangible assets - Brand	-	111	111
Deferred tax liabilities on intangible assets	-	(152)	(152)
	22	**436**	**458**
Goodwill			983
Total purchase price			**1,441**

** Includes cash and cash equivalents acquired of ₹7 crore.*

Goodwill is not tax deductible.

The fair value of each major class of consideration as of the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash consideration	1,357
Fair value of contingent consideration	84
Total purchase price	**1,441**

The gross amount of trade receivables acquired and its fair value is approximately ₹73 crore and the amount is recoverable

The payment of contingent consideration to sellers of Simplus is dependent upon the achievement of certain financial targets by Simplus. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 10.5% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as of March 31, 2020 was $13 million (approximately ₹97 crore).

The transaction costs of ₹6 crore related to the acquisition have been included under administrative expenses in the statement of profit and loss for the year ended March 31, 2020.

Proposed transfer

On October 11, 2019, the Board of Directors of Infosys authorized the Company to execute a Business Transfer Agreement and related documents with its wholly owned subsidiaries, Kallidus Inc and Skava Systems Private Limited (together referred to as Skava), to transfer the business of Skava to Infosys Limited, subject to securing the requisite regulatory approvals for a consideration based on an independent valuation. The transfer between entities under common control would be accounted for at carrying value and would not have any impact on the consolidated financial statements.

2.1.2. Disposal group held for sale

Accounting policy

Non-current assets and Disposal Group are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset or the Disposal Group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets and Disposal Group held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the Disposal Group no longer meets the "Held for sale" criteria.

In the year ended March 2018, the Company had initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya, collectively referred to as the "Disposal Group". The Disposal Group was classified and presented separately as "held for sale" and was carried at the lower of carrying value and fair value. During the year ended March 31, 2019, on remeasurement, including consideration of progress in negotiations on offers from prospective buyers for Panaya, the Company has recorded a reduction in the fair value of Disposal Group held for sale amounting to ₹270 crore in respect of Panaya.

Further, based on evaluation of proposals received and progress of negotiations with potential buyers, the Company concluded that the Disposal Group does not meet the criteria for "Held for Sale' classification because it is no longer highly probable that sale would be consummated by March 31, 2019 (twelve months from date of initial classification as "held for sale"). Accordingly, in accordance with Ind AS 105 -" Non current Assets held for Sale and Discontinued Operations", the assets and liabilities of Panaya and Skava have been included on a line by line basis in the consolidated financial statements as at March 31, 2019.

On reclassification from "Held for sale", the assets of Panaya and Skava have been remeasured at the lower of cost and recoverable amount resulting in recognition of an adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" of ₹451 crore (comprising of ₹358 crore towards goodwill and ₹93 crore towards value of customer relationships) in respect of Skava in the consolidated statement of Profit and Loss for the year ended March 31, 2019.

2.2 PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Buildings [(1)]	22-25 years
Plant and machinery [(1)(2)]	5 years
Office equipment	5 years
Computer equipment [(1)]	3-5 years
Furniture and fixtures [(1)]	5 years
Vehicles[(1)]	5 years
Leasehold improvements	Lower of useful life of the asset or lease term

[(1)] *Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.*

[(2)] *Includes Solar plant with a useful life of 20 years*

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Consolidated Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Consolidated Statement of Profit and Loss.

Impairment

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 Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Consolidated 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 Consolidated 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 depreciation) had no impairment loss been recognized for the asset in prior years.

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2020 were as follows:

(In ₹ crore)

Particulars	Land - Freehold	Land - Leasehold	Buildings [(1)]	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2019	**1,307**	**605**	**8,926**	**2,709**	**1,101**	**5,846**	**1,620**	**739**	**38**	**22,891**
Additions	11	-	1,056	475	169	930	465	324	7	3,437
Additions - Business Combination	-	-	-	-	1	62	9	6	-	78
Deletions	-	-	-	(3)	(8)	(179)	(24)	(18)	(1)	(233)
Reclassified on account of adoption of Ind AS 116 (Refer to note 2.19)	-	(605)	-	-	-	-	-	-	-	(605)
Translation difference	-	-	34	4	2	17	3	12	1	73
Gross carrying value as at March 31, 2020	**1,318**	-	**10,016**	**3,185**	**1,265**	**6,676**	**2,073**	**1,063**	**45**	**25,641**
Accumulated depreciation as at April 1, 2019	**-**	**(33)**	**(2,927)**	**(1,841)**	**(813)**	**(4,192)**	**(1,170)**	**(414)**	**(22)**	**(11,412)**
Depreciation	-	-	(353)	(306)	(128)	(862)	(233)	(146)	(7)	(2,035)
Accumulated depreciation on deletions	-	-	-	3	8	179	23	18	1	232
Reclassified on account of adoption of Ind AS 116 (Refer to note 2.19)	-	33	-	-	-	-	-	-	-	33
Translation difference	-	-	(4)	(1)	(1)	(10)	-	(8)	-	(24)
Accumulated depreciation as at March 31, 2020	-	-	**(3,284)**	**(2,145)**	**(934)**	**(4,885)**	**(1,380)**	**(550)**	**(28)**	**(13,206)**
Carrying value as at April 1, 2019	**1,307**	**572**	**5,999**	**868**	**288**	**1,654**	**450**	**325**	**16**	**11,479**
Carrying value as at March 31, 2020	**1,318**	-	**6,732**	**1,040**	**331**	**1,791**	**693**	**513**	**17**	**12,435**

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2019 were as follows:

(In ₹ crore)

Particulars	Land - Freehold	Land - Leasehold	Buildings [(1)]	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvement	Vehicles	Total
Gross carrying value as at April 1, 2018	**1,229**	**673**	**8,130**	**2,306**	**1,002**	**4,884**	**1,393**	**531**	**31**	**20,179**
Additions	78	-	916	462	136	1,129	254	209	9	3,193
Additions - Business Combination	-	-	-	1	2	34	7	3	-	47
Deletions	-	(68)	(116)	(60)	(40)	(239)	(40)	(21)	(2)	(586)
Reclassified from assets held for sale (Refer note 2.1.2)	-	-	-	1	2	40	8	17	-	68
Translation difference	-	-	(4)	(1)	(1)	(2)	(2)	-	-	(10)
Gross carrying value as at March 31, 2019	**1,307**	**605**	**8,926**	**2,709**	**1,101**	**5,846**	**1,620**	**739**	**38**	**22,891**
Accumulated depreciation as at April 1, 2018	**-**	**(31)**	**(2,719)**	**(1,597)**	**(719)**	**(3,632)**	**(1,017)**	**(330)**	**(18)**	**(10,063)**
Depreciation	-	(5)	(313)	(293)	(125)	(766)	(185)	(89)	(6)	(1,782)
Accumulated depreciation on deletions	-	3	103	50	32	229	36	20	2	475
Reclassified from assets held for sale (Refer note 2.1.2)	-	-	-	(1)	(1)	(25)	(5)	(15)	-	(47)
Translation difference	-	-	2	-	-	2	1	-	-	5
Accumulated depreciation as at March 31, 2019	-	**(33)**	**(2,927)**	**(1,841)**	**(813)**	**(4,192)**	**(1,170)**	**(414)**	**(22)**	**(11,412)**
Carrying value as at April 1, 2018	**1,229**	**642**	**5,411**	**709**	**283**	**1,252**	**376**	**201**	**13**	**10,116**
Carrying value as at March 31, 2019	**1,307**	**572**	**5,999**	**868**	**288**	**1,654**	**450**	**325**	**16**	**11,479**

[(1)] *Buildings include ₹250/- being the value of five shares of ₹50/- each in Mittal Towers Premises Co-operative Society Limited.*

The aggregate depreciation has been included under depreciation and amortisation expense in the consolidated Statement of Profit and Loss.

2.3 GOODWILL AND OTHER INTANGIBLE ASSETS

2.3.1 Goodwill

Accounting policy

Goodwill represents the purchase consideration in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the purchase consideration, the fair value of net assets acquired is reassessed and the bargain purchase excess is recognized in capital reserve. Goodwill is measured at cost less accumulated impairment losses.

Impairment

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGU's which benefit from the synergies of the acquisition. 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 recognized in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period.

Following is a summary of changes in the carrying amount of goodwill:

(In ₹ crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
Carrying value at the beginning	3,540	2,211
Goodwill on Hipus acquisition (Refer note no. 2.1.1)	108	-
Goodwill on Wongdoody acquisition (Refer note no. 2.1.1)	-	173
Goodwill on Fluido Oy acquisition (refer note no. 2.1.1)	-	240
Goodwill on Stater acquisition (Refer note no. 2.1.1)	399	-
Goodwill on Simplus acquisition (Refer note no. 2.1.1)	983	-
Goodwill reclassified from assets held for sale, net of reduction in recoverable amount (Refer note 2.1.2)	-	863
Translation differences	256	53
Carrying value at the end	**5,286**	**3,540**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU or groups of CGUs, which benefit from the synergies of the acquisition. The Group internally reviews the goodwill for impairment at the operating segment level, after allocation of the goodwill to CGU's or groups of CGUs.

The following table presents the allocation of goodwill to operating segments as at March 31, 2020 and March 31, 2019 respectively:

(In ₹ crore)

Segment	As at	
	March 31, 2020	March 31, 2019
Financial services	1,262	743
Retail	500	437
Communication	472	389
Energy, Utilities, Resources and Services	886	374
Manufacturing	378	239
	3,498	2,182
Operating segments without significant goodwill	766	417
Total	**4,264**	**2,599**

Consequent to reclassification from held for sale (refer note no 2.1.2), the goodwill pertaining to Panaya, Kallidus and Skava acquisitions are tested for impairment at the respective entity level, which amounts to ₹1,022 crore and ₹941 crore as at March 31, 2020 and March 31, 2019, respectively.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. Value-in-use is determined based on discounted future cash flows. The key assumptions used for the calculations are as follows:

(in %)

	As at	
	March 31, 2020	March 31, 2019
Long term growth rate	7-10	8-10
Operating margins	17-20	17-20
Discount rate	11.9	12.5

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. As at March 31, 2020, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions consequent to the change in estimated future economic conditions on account of possible effects relating to Covid 19 is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating unit.

2.3.2 Other intangible assets

Accounting policy

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances). Amortization methods and useful lives are reviewed periodically including at each financial year end.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

Impairment

Intangible 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 CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Consolidated 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 Consolidated 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 amortization) had no impairment loss been recognized for the asset in prior years.

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2020:

(In ₹ crore)

Particulars	Customer related	Software related	Intellectual property rights related	Land use-rights related	Brand or Trademark Related	Others*	Total
Gross carrying value as at April 1, 2019	**937**	**441**	**1**	**73**	**99**	**83**	**1,634**
Additions	-	86	-	-	-	-	86
Acquisition through business combination (Refer note no. 2.1.1)	817	110	-	-	135	325	1,387
Reclassified on account of adoption of IndAS 116	-	-	-	(73)	-	-	(73)
Translation difference	124	60	-	-	7	3	194
Gross carrying value as at March 31, 2020	**1,878**	**697**	**1**	**-**	**241**	**411**	**3,228**
Accumulated amortization as at April 1, 2019	**(557)**	**(302)**	**(1)**	**(11)**	**(44)**	**(28)**	**(943)**
Amortization expense	(146)	(105)	-	-	(17)	(27)	(295)
Reclassified on account of adoption of IndAS 116	-	-	-	11	-	-	11
Translation differences	(52)	(43)	-	-	(5)	(1)	(101)
Accumulated amortization as at March 31, 2020	**(755)**	**(450)**	**(1)**	**-**	**(66)**	**(56)**	**(1,328)**
Carrying value as at April 1, 2019	**380**	**139**	**-**	**62**	**55**	**55**	**691**
Carrying value as at March 31, 2020	**1,123**	**247**	**-**	**-**	**175**	**355**	**1,900**
Estimated Useful Life *(in years)*	1-15	3-10	-	-	5-10	3-5	
Estimated Remaining Useful Life *(in years)*	0-14	0-9	-	-	1-10	1-5	

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2019:

(In ₹ crore)

Particulars	Customer related	Software related	Intellectual property rights related	Land use-rights related	Brand or Trademark Related	Others*	Total
Gross carrying value as at April 1, 2018	**445**	**19**	**-**	**73**	**26**	**27**	**590**
Reclassified from assets held for sale (Refer note 2.1.2)	157	388	1	-	37	-	583
Additions	-	9	-	-	-	-	9
Acquisition through business combination (Refer note no. 2.1.1)	334	-	-	-	36	62	432
Deletions	-	-	-	-	-	-	-
Translation difference	1	25	-	-	-	(6)	20
Gross carrying value as at March 31, 2019	**937**	**441**	**1**	**73**	**99**	**83**	**1,634**
Accumulated amortization as at April 1, 2018	**(289)**	**(19)**	**-**	**(10)**	**(12)**	**(13)**	**(343)**
Reclassified from assets held for sale (Refer note 2.1.2)	(56)	(182)	(1)	-	(21)	-	(260)
Amortization expense	(112)	(90)	-	(2)	(10)	(15)	(229)
Reduction in value (Refer note 2.1.2)	(93)	-	-	-	-	-	(93)
Deletions	-	-	-	-	-	-	-
Translation differences	(7)	(11)	-	1	(1)	-	(18)
Accumulated amortization as at March 31, 2019	**(557)**	**(302)**	**(1)**	**(11)**	**(44)**	**(28)**	**(943)**
Carrying value as at April 1, 2018	**156**	**-**	**-**	**63**	**14**	**14**	**247**
Carrying value as at March 31, 2019	**380**	**139**	**-**	**62**	**55**	**55**	**691**
Estimated Useful Life *(in years)*	1-10	3-8	-	50	5-10	3-5	
Estimated Remaining Useful Life *(in years)*	0-7	1	-	43	2-8	2-3	

** Majorly includes intangibles related to salesforce relationships*

The amortization expense has been included under depreciation and amortization expense in the Consolidated Statement of Profit and Loss.

Research and Development Expenditure

Research and development expense recognized in the consolidated Statement of Profit and Loss for the year ended March 31, 2020 and March 31, 2019 was ₹829 crore and ₹769 crore respectively

2.4 INVESTMENTS

(In ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Unquoted		
Investments carried at fair value through other comprehensive income (*refer note no. 2.4.1*)		
Preference securities	101	89
Equity instruments	1	11
	102	**100**
Investments carried at fair value through profit and loss (*refer note no. 2.4.1*)		
Preference securities	9	23
Others [(1)]	54	16
	63	**39**
Quoted		
Investments carried at amortized cost *(refer note no. 2.4.2)*		
Tax free bonds	1,825	1,893
Government Bonds	21	-
	1,846	**1,893**
Investments carried at fair value through profit and loss (*refer note no. 2.4.3*)		
Fixed maturity plan securities	-	458
	-	**458**
Investments carried at fair value through other comprehensive income (*refer note no. 2.4.4*)		
Non convertible debentures	1,462	1,420
Government securities	664	724
	2,126	**2,144**
Total non-current investments	**4,137**	**4,634**
Current		
Unquoted		
Investments carried at fair value through profit or loss *(refer note no. 2.4.3)*		
Liquid mutual fund units	2,104	1,786
	2,104	**1,786**
Investments carried at fair value through other comprehensive income		
Commercial Paper *(refer note no. 2.4.4)*	-	495
Certificates of deposit *(refer note no. 2.4.4)*	1,126	2,482
	1,126	**2,977**
Quoted		
Investment carried at amortized cost *(refer note no.2.4.2)*		
Government Bonds	-	18
	-	**18**
Investments carried at fair value through profit and loss (*refer note no. 2.4.3*)		
Fixed maturity plan securities	489	-
	489	**-**
Investments carried at fair value through other comprehensive income (*refer note no. 2.4.4*)		
Non convertible debentures	936	1,846
	936	**1,846**
Total current investments	**4,655**	**6,627**
Total investments	**8,792**	**11,261**
Aggregate amount of quoted investments	5,397	6,359
Market value of quoted investments (including interest accrued), current	1,425	1,862
Market value of quoted investments (including interest accrued), non current	4,268	4,711
Aggregate amount of unquoted investments	3,395	4,902
Aggregate amount of impairment on value of investments	-	-
Investments carried at amortized cost	1,846	1,911
Investments carried at fair value through other comprehensive income	4,290	7,067
Investments carried at fair value through profit or loss	2,656	2,283

[(1)] Uncalled capital commitments outstanding as at March 31, 2020 and March 31, 2019 was ₹61 crore and ₹86 crore, respectively.

Refer to Note no 2.10 for Accounting policies on Financial Instruments.

Details of amounts recorded in Other comprehensive income :

(In ₹ crore)

	Year ended March 31, 2020			Year ended March 31, 2019		
	Gross	**Tax**	**Net**	**Gross**	**Tax**	**Net**
Net Gain/(loss) on						
Non-convertible debentures	27	(3)	24	1	-	1
Certificates of deposit	(4)	2	(2)	(5)	2	(3)
Government securities	-	-	-	5	(1)	4
Equity and preference securities	(27)	(6)	(33)	63	7	70

Method of fair valuation:

(In ₹ crore)

Class of investment	**Method**	**Fair value as at**	
		March 31, 2020	**March 31, 2019**
Liquid mutual fund units	Quoted price	2,104	1,786
Fixed maturity plan securities	Market observable inputs	489	458
Tax free bonds and government bonds	Quoted price and market observable inputs	2,144	2,125
Non-convertible debentures	Quoted price and market observable inputs	2,398	3,266
Government securities	Quoted price	664	724
Commercial Papers	Market observable inputs	-	495
Certificate of deposits	Market observable inputs	1,126	2,482
Unquoted equity and preference securities - carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model, etc.	102	100
Unquoted equity and preference securities - carried at fair value through profit and loss	Discounted cash flows method, Market multiples method, Option pricing model, etc.	9	23
Others	Discounted cash flows method, Market multiples method, Option pricing model, etc.	54	16
Total		**9,090**	**11,475**

Note: Certain quoted investments are classified as Level 2 in the absence of active market for such investments.

2.4.1 Details of investments

The details of investments in preference, equity and other instruments at March 31, 2020 and March 31, 2019 are as follows:

(In ₹ crore, except otherwise stated)

Particulars	**As at**	
	March 31, 2020	**March 31, 2019**
Preference securities		
Airviz, Inc.	-	3
2,82,279 (2,82,279) Series A Preferred Stock, fully paid up, par value USD 0.001 each		
Whoop, Inc.	40	14
16,48,352(16,48,352) Series B Preferred Stock, fully paid up, par value USD 0.0001 each		
Nivetti Systems Private Limited	10	10
2,28,501 (2,28,501) Preferred Stock, fully paid up, par value ₹1/- each		
Waterline Data Science, Inc.	-	25
Nil (39,33,910) Series B Preferred Shares, fully paid up, par value USD 0.00001 each		
Nil (13,35,707) Series C Preferred Shares, fully paid up, par value USD 0.00001 each		
Trifacta Inc.	42	27
31,40,181 (11,80,358) Series C-1 Preferred Stock		
Tidalscale, Inc.	9	23
36,74,269 (36,74,269) Series B Preferred Stock		
Ideaforge Technology Private Limited	9	10
5,402 (5,402) Series A compulsorily convertible cumulative Preference shares of ₹10 each, fully paid up		
Total investment in preference securities	**110**	**112**
Equity Instruments		
Merasport Technologies Private Limited	-	-
2,420 (2,420) equity shares at ₹8,052 each, fully paid up, par value ₹10/- each		
Global Innovation and Technology Alliance	1	1
15,000 (15,000) equity shares at ₹1,000 each, fully paid up, par value ₹1,000/- each		
Unsilo A/S	-	10
Nil (69,894) Equity Shares, fully paid up, par value DKK 1/- each		
Ideaforge	-	-
100 (100) equity shares at ₹10/-, fully paid up		
Total investment in equity instruments	**1**	**11**
Others		
Stellaris Venture Partners India	30	16
The House Fund II, L.P.	24	-
Total investment in others	**54**	**16**
Total	**165**	**139**

2.4.2 Details of investments in tax free bonds and government bonds

The balances held in tax free bonds as at March 31, 2020 and March 31, 2019 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	As at March 31, 2020			As at March 31, 2019	
	Face Value ₹	Units	Amount	Units	Amount
7.04% Indian Railway Finance Corporation Limited Bonds 03MAR2026	10,00,000	470	49	470	50
7.16% Power Finance Corporation Limited Bonds 17JUL2025	10,00,000	1,000	105	1,000	105
7.18% Indian Railway Finance Corporation Limited Bonds 19FEB2023	1,000	2,000,000	201	2,000,000	201
7.28% Indian Railway Finance Corporation Limited Bonds 21DEC2030	1,000	422,800	42	422,800	42
7.28% National Highways Authority of India Limited Bonds 18SEP2030	10,00,000	3,300	341	3,300	342
7.34% Indian Railway Finance Corporation Limited Bonds 19FEB2028	1,000	2,100,000	210	2,100,000	210
7.35% National Highways Authority of India Limited Bonds 11JAN2031	1,000	571,396	57	571,396	57
7.93% Rural Electrification Corporation Limited Bonds 27MAR2022	1,000	200,000	20	200,000	21
8.00% Indian Railway Finance Corporation Limited Bonds 23FEB2022	1,000	-	-	150,000	15
8.10% Indian Railway Finance Corporation Limited Bonds 23FEB2027	1,000	500,000	52	500,000	52
8.20% Power Finance Corporation Limited Bonds 01FEB2022	1,000	-	-	500,000	50
8.26% India Infrastructure Finance Company Limited Bonds 23AUG2028	10,00,000	1,000	100	1,000	100
8.30% National Highways Authority of India Limited Bonds 25JAN2027	1,000	500,000	53	500,000	53
8.35% National Highways Authority of India Limited Bonds 22NOV2023	10,00,000	1,500	150	1,500	150
8.46% India Infrastructure Finance Company Limited Bonds 30AUG2028	10,00,000	2,000	200	2,000	200
8.46% Power Finance Corporation Limited Bonds 30AUG2028	10,00,000	1,500	150	1,500	150
8.48% India Infrastructure Finance Company Limited Bonds 05SEP2028	10,00,000	450	45	450	45
8.54% Power Finance Corporation Limited Bonds 16NOV2028	1,000	500,000	50	500,000	50
Total investments in tax-free bonds		**68,05,416**	**1,825**	**74,55,416**	**1,893**

The balances held in government bonds as at March 31, 2020 and March 31, 2019 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	As at March 31, 2020			As at March 31, 2019	
	Face Value PHP	Units	Amount	Units	Amount
Treasury Notes Philippines Govt. 29MAY2019	100	-	-	45,000	6
Treasury Notes Philippines Govt. 17APRIL2019	100	-	-	90,000	12
Treasury Notes Philippines Govt. 8MARCH2023	100	55,000	8	-	-
Treasury Notes Philippines Govt. 4DECEMBER2022	100	90,000	13	-	-
Total investments in government bonds		**145,000**	**21**	**135,000**	**18**

2.4.3 Details of investments in liquid mutual fund units and fixed maturity plans

The balances held in liquid mutual fund units as at March 31, 2020 and March 31, 2019 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Liquid Fund -Growth -Direct Plan	1,690,522	54	13,32,847	40
Aditya Birla Sun life Corporate Bond Fund -Growth -Direct Plan	2,66,97,315	211	1,96,00,407	141
Aditya Birla Sun life Money Manager Fund -Growth -Direct Plan	-	-	79,75,385	201
Aditya Birla Sun Life Cash Manager - Growth	1,68,237	8	1,11,344	5
Axis Treasury Advantage Fund - Growth	8,65,146	201	-	-
HDFC Overnight Fund Direct Plan- Growth Option	10,10,508	300	-	-
HDFC Money market Fund- Direct Plan- Growth Option	-	-	7,72,637	303
HDFC Liquid fund-Direct Plan growth option	5,55,555	217	68,035	25
ICICI Prudential Liquid Fund –Direct plan –Growth	79,30,594	233	-	-
ICICI Prudential Savings Fund- Direct Plan-Growth	-	-	83,40,260	301
IDFC Corporate Bond - Fund Direct Plan	1,19,02,495	17	13,14,84,437	169
Kotak Liquid Fund- Direct Plan- Growth Option	7,47,509	300	-	-
Kotak Money Market Fund- Direct Plan- Growth Option	-	-	9,73,751	301
SBI Overnight Fund -Direct Plan -Growth	922,151	300	-	-
SBI Premier Liquid Fund -Direct Plan -Growth	3,31,803	103	10,25,678	300
HDFC Corporate Bond Fund -Growth -Direct Plan	-	-	-	-
IDFC Banking and PSU fund Direct Plan- Growth Option	8,88,49,927	160	-	-
Total investments in liquid mutual fund units	**14,16,71,762**	**2,104**	**17,16,84,781**	**1,786**

The balances held in fixed maturity plans as at March 31, 2020 and March 31, 2019 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Fixed Term Plan- Series OD 1145 Days- GR Direct	6,00,00,000	74	6,00,00,000	70
Aditya Birla Sun Life Fixed Term Plan- Series OE 1153 Days- GR Direct	2,50,00,000	31	2,50,00,000	29
HDFC FMP 1155D Feb 2017- Direct Growth- Series 37	3,80,00,000	47	3,80,00,000	44
HDFC FMP 1169D Feb 2017- Direct- Quarterly Dividend- Series 37	4,50,00,000	45	4,50,00,000	45
ICICI FMP Series 80-1194 D Plan F Div	5,50,00,000	68	5,50,00,000	63
ICICI Prudential Fixed Maturity Plan Series 80- 1187 Days Plan G Direct Plan	4,20,00,000	52	4,20,00,000	49
ICICI Prudential Fixed Maturity Plan Series 80- 1253 Days Plan J Direct Plan	3,00,00,000	37	3,00,00,000	35
IDFC Fixed Term Plan Series 129 Direct Plan- Growth 1147 Days	1,00,00,000	12	1,00,00,000	12
IDFC Fixed Term Plan Series 131 Direct Plan- Growth 1139 Days	1,50,00,000	19	1,50,00,000	17
Kotak FMP Series 199 Direct- Growth	3,50,00,000	44	3,50,00,000	40
Nippon India Fixed Horizon Fund-XXXII Series 8-Dividend Plan	5,00,00,000	60	5,00,00,000	54
Total investments in fixed maturity plan securities	**40,50,00,000**	**489**	**40,50,00,000**	**458**

2.4.4 Details of investments in non convertible debentures, government securities, certificates of deposit and commercial paper

The balances held in non convertible debenture units as at March 31, 2020 and March 31, 2019 is as follows:

(In ₹ crore, except as otherwise stated)

Particulars		As at March 31, 2020		As at March 31, 2019	
	Face Value ₹	Units	Amount	Units	Amount
7.03% LIC Housing Finance Ltd 28DEC2021	10,00,000/-	2,500	254	-	-
7.24% LIC Housing Finance Ltd 23AUG2021	10,00,000/-	2,500	259	-	-
7.48% Housing Development Finance Corporation Ltd 18NOV2019	1,00,00,000/-	-	-	50	51
7.58% LIC Housing Finance Ltd 28FEB2020	10,00,000/-	-	-	1,000	101
7.58% LIC Housing Finance Ltd 11JUN2020	10,00,000/-	500	52	500	51
7.59% LIC Housing Finance Ltd 14OCT2021	10,00,000/-	3,000	312	3,000	306
7.75% LIC Housing Finance Ltd 27AUG2021	10,00,000/-	1,250	131	1,250	127
7.78% Housing Development Finance Corporation Ltd 24MAR2020	1,00,00,000/-	-	-	100	100
7.79% LIC Housing Finance Ltd 19JUN2020	10,00,000/-	500	53	500	53
7.80% Housing Development Finance Corporation Ltd 11NOV2019	1,00,00,000/-	-	-	150	154
7.81% LIC Housing Finance Ltd 27APR2020	10,00,000/-	2,000	215	2,000	214
7.95% Housing Development Finance Corporation Ltd 23SEP2019	1,00,00,000/-	-	-	50	52
8.02% LIC Housing Finance Ltd 18FEB2020	10,00,000/-	-	-	500	51
8.26% Housing Development Finance Corporation Ltd 12AUG2019	1,00,00,000/-	-	-	100	105
8.37% LIC Housing Finance Ltd 03OCT2019	10,00,000/-	-	-	2,000	216
8.37% LIC Housing Finance Ltd 10MAY2021	10,00,000/-	500	54	500	54
8.47% LIC Housing Finance Ltd 21JAN2020	10,00,000/-	-	-	500	51
8.49% Housing Development Finance Corporation Ltd 27APR2020	5,00,000/-	900	49	900	49
8.50% Housing Development Finance Corporation Ltd 31AUG2020	1,00,00,000/-	100	106	100	105
8.50% LIC Housing Finance Ltd 20JUN2022	10,00,000/-	2,950	323	-	-
8.58% Housing Development Finance Corporation Ltd 22MAR2022	10,00,000/-	1,250	129	-	-
8.59% Housing Development Finance Corporation Ltd 14JUN2019	1,00,00,000/-	-	-	50	51
8.60% LIC Housing Finance Ltd 22JUL2020	10,00,000/-	1,000	107	1,000	107
8.60% LIC Housing Finance Ltd 29JUL2020	10,00,000/-	1,750	187	1,750	186
8.61% LIC Housing Finance Ltd 11DEC2019	10,00,000/-	-	-	1,000	103
8.72% Housing Development Finance Corporation Ltd 15APR2019	1,00,00,000/-	-	-	75	75
8.75% Housing Development Finance Corporation Ltd 13JAN2020	5,00,000/-	-	-	5,000	256
8.75% LIC Housing Finance Ltd 14JAN2020	10,00,000/-	-	-	1,070	110
8.75% LIC Housing Finance Ltd 21DEC2020	10,00,000/-	1,000	101	1,000	101
8.80% LIC Housing Finance Ltd 24Dec2020	10,00,000/-	650	66	650	67
8.97% LIC Housing Finance Ltd 29OCT2019	10,00,000/-	-	-	500	52
9.45% Housing Development Finance Corporation Ltd 21AUG2019	10,00,000/-	-	-	3,000	318
Total investments in non-convertible debentures		**22,350**	**2,398**	**28,295**	**3,266**

The balances held in government securities as at March 31, 2020 and March 31, 2019 are as follows:

(In ₹ crore, except as otherwise stated)

Particulars		As at March 31, 2020		As at March 31, 2019	
	Face Value ₹	Units	Amount	Units	Amount
7.17% Government of India 8JAN2028	10,000/-	1,25,000	132	6,75,000	672
7.26% Government of India 14JAN2029	10,000/-	5,00,000	532	-	-
7.95% Government of India 28AUG2032	10,000/-	-	-	50,000	52
Total investments in government securities		**6,25,000**	**664**	**725,000**	**724**

The balances held in certificates of deposit as at March 31, 2020 and March 31, 2019 are as follows:

(In ₹ crore, except as otherwise stated)

Particulars		As at March 31, 2020		As at March 31, 2019	
	Face Value ₹	Units	Amount	Units	Amount
Axis Bank	1,00,000/-	25,000	240	90,000	872
Bank of Baroda	1,00,000/-	65,000	638	-	-
ICICI Bank	1,00,000/-	-	-	75,000	738
Kotak Bank	1,00,000/-	-	-	77,000	747
Oriental Bank of Commerce	1,00,000/-	25,000	248	-	-
Vijaya Bank	1,00,000/-	-	-	12,500	125
Total investments in certificates of deposit		**1,15,000**	**1,126**	**2,54,500**	**2,482**

The balances held in commercial paper as at March 31, 2019 are as follows:

(In ₹ crore, except as otherwise stated)

Particulars		As at March 31, 2019	
	Face Value ₹	Units	Amount
LIC	5,00,000/-	10,000	495
Total investments in commercial paper		**10,000**	**495**

2.5 LOANS

(In ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Unsecured, considered good		
Other loans		
Loans to employees	21	19
	21	**19**
Unsecured, considered doubtful		
Other loans		
Loans to employees	30	24
	51	**43**
Less: Allowance for doubtful loans to employees	30	24
Total non-current loans	**21**	**19**
Current		
Unsecured, considered good		
Other loans		
Loans to employees	239	241
Total current loans	**239**	**241**
Total loans	**260**	**260**

2.6 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Security deposits [(1)]	50	52
Rental deposits [(1)]	221	193
Net investment in sublease of right of use asset (refer to note 2.19) [(1)]	398	-
Restricted deposits[(1)*]	55	67
Others [(1)]	13	-
Total non-current other financial assets	**737**	**312**
Current		
Security deposits [(1)]	8	4
Rental deposits [(1)]	27	15
Restricted deposits [(1)*]	1,795	1,671
Unbilled revenues [(1)#]	2,796	2,093
Interest accrued but not due [(1)]	474	905
Foreign currency forward and options contracts [(2) (3)]	62	336
Escrow and other deposits pertaining to buyback (Refer note 2.11)[(1)]	-	257
Net investment in sublease of right of use asset (refer to note 2.19) [(1)]	35	-
Others [(1)]	260	224
Total current other financial assets	**5,457**	**5,505**
Total other financial assets	**6,194**	**5,817**
[(1)] Financial assets carried at amortized cost	6,132	5,481
[(2)] Financial assets carried at fair value through other comprehensive income	9	37
[(3)] Financial assets carried at fair value through profit or loss	53	299

[*] Restricted deposits represent deposits with financial institutions to settle employee-related obligations as and when they arise during the normal course of business.
Classified as financial asset as right to consideration is unconditional and is due only after a passage of time.

2.7 TRADE RECEIVABLES

(In ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Unsecured		
Considered good [(1)]	18,487	14,827
Considered doubtful	557	483
	19,044	15,310
Less: Allowance for credit loss	557	483
Total trade receivables	**18,487**	**14,827**
[(1)] Includes dues from companies where directors are interested	-	-

2.8 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
In current and deposit accounts	12,288	14,197
Cash on hand	-	-
Others		
Deposits with financial institutions	6,361	5,371
Total cash and cash equivalents	**18,649**	**19,568**
Balances with banks in unpaid dividend accounts	30	29
Deposit with more than 12 months maturity	6,895	6,582
Balances with banks held as margin money deposits against guarantees	71	114

Cash and cash equivalents as at March 31, 2020 and March 31, 2019 include restricted cash and bank balances of ₹396 crore and ₹358 crore, respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the company and bank balances held as margin money deposits against guarantees.

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

2.9 OTHER ASSETS

(In ₹ crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Capital advances	310	489
Advances other than capital advances		
Others		
Withholding taxes and others	777	929
Prepaid gratuity (*refer note no. 2.20.1*)	151	42
Prepaid expenses	87	162
Deferred Contract Cost	101	277
Advance for business acquisition *(refer note no. 2.1.1)*	-	206
Total Non-Current other assets	**1,426**	**2,105**
Current		
Advances other than capital advances		
Payment to vendors for supply of goods	145	109
Others		
Unbilled revenues [#]	4,325	3,281
Withholding taxes and others	1,583	1,488
Prepaid expenses	968	751
Deferred Contract Cost	33	58
Other receivables	28	-
Total Current other assets	**7,082**	**5,687**
Total other assets	**8,508**	**7,792**

Withholding taxes and others primarily consist of input tax credits and Cenvat recoverable from Government of India. As at March 31 2020, cenvat recoverable includes ₹372 crore which are pending adjudication. The Group expects these amounts to be sustainable on adjudication and recoverable on final resolution.

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

2.10 FINANCIAL INSTRUMENTS

Accounting policy

2.10.1 Initial recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

2.10.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order 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.

(ii) Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it 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. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration and financial liability under option arrangements recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

b. Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(i) Financial assets or financial liabilities, at fair value through profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the consolidated Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

(ii) Cash flow hedge

The Group designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the consolidated Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the Consolidated Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the Consolidated Statement of Profit and Loss.

2.10.3 Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.10.4 Fair value of financial instruments

In determining the fair value of its financial instruments, the Group 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, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Refer to table 'Financial instruments by category' below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximates fair value due to the short maturity of those instruments.

2.10.5 Impairment

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets and unbilled revenue which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenues with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs 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 ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in Consolidated Statement of Profit and Loss.

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2020 are as follows:

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note no. 2.8)	18,649	-	-	-	-	18,649	18,649
Investments (Refer Note no. 2.4)							
Equity and preference securities	-	-	9	102	-	111	111
Tax-free bonds and government bonds	1,846	-	-	-	-	1,846	2,144 [(1)]
Liquid mutual fund units	-	-	2,104	-	-	2,104	2,104
Non convertible debentures	-	-	-	-	2,398	2,398	2,398
Government securities	-	-	-	-	664	664	664
Certificates of deposit	-	-	-	-	1,126	1,126	1,126
Other investments	-	-	54	-	-	54	54
Fixed maturity plan securities	-	-	489	-	-	489	489
Trade receivables (Refer Note no. 2.7)	18,487	-	-	-	-	18,487	18,487
Loans (Refer Note no. 2.5)	260	-	-	-	-	260	260
Other financials assets (Refer Note no. 2.6)[(3)]	6,132	-	53	-	9	6,194	6,112 [(2)]
Total	**45,374**	**-**	**2,709**	**102**	**4,197**	**52,382**	**52,598**
Liabilities:							
Trade payables	2,852	-	-	-	-	2,852	2,852
Lease liabilities	4,633	-	-	-	-	4,633	4,633
Financial Liability under option arrangements (refer to note 2.1.1)	-	-	621	-	-	621	621
Other financial liabilities (Refer Note no. 2.12)	7,966	-	811	-	20	8,797	8,797
Total	**15,451**	**-**	**1,432**	**-**	**20**	**16,903**	**16,903**

(1) On account of fair value changes including interest accrued

(2) Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹82 crore

(3) Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones

The carrying value and fair value of financial instruments by categories as at March 31, 2019 were as follows:

(In ₹ crore)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value	
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Assets:								
Cash and cash equivalents (Refer Note no. 2.8)	19,568	-	-	-	-	19,568	19,568	
Investments (Refer Note no. 2.4)								
Equity and preference securities	-	-	23	100	-	123	123	
Tax-free bonds and government bonds	1,911	-	-	-	-	1,911	2,125	(1)
Liquid mutual fund units	-	-	1,786	-	-	1,786	1,786	
Non convertible debentures	-	-	-	-	3,266	3,266	3,266	
Government securities					724	724	724	
Commercial paper	-	-	-	-	495	495	495	
Certificates of deposit	-	-	-	-	2,482	2,482	2,482	
Other investments	-	-	16	-	-	16	16	
Fixed maturity plan securities	-	-	458	-	-	458	458	
Trade receivables (Refer Note no. 2.7)	14,827	-	-	-	-	14,827	14,827	
Loans (Refer Note no. 2.5)	260	-	-	-	-	260	260	
Other financials assets (Refer Note no. 2.6)	5,481	-	299	-	37	5,817	5,733	(2)
Total	**42,047**	**-**	**2,582**	**100**	**7,004**	**51,733**	**51,863**	
Liabilities:								
Trade payables	1,655	-	-	-	-	1,655	1,655	
Other financial liabilities (Refer Note no. 2.12)	8,731	-	205	-	-	8,936	8,936	
Total	**10,386**	**-**	**205**	**-**	**-**	**10,591**	**10,591**	

(1) *On account of fair value changes including interest accrued*

(2) *Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹84 crore*

(3) *Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones*

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2020:

(In ₹ crore)

Particulars	As at March 31, 2020	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds (Refer Note no. 2.4)	2,104	2,104	-	-
Investments in tax-free bonds (Refer Note no. 2.4)	2,122	1,960	162	-
Investments in government bonds (Refer Note no. 2.4)	22	22	-	-
Investments in equity instruments (Refer Note no. 2.4)	1	-	-	1
Investments in preference securities (Refer Note no. 2.4)	110	-	-	110
Investments in non convertible debentures (Refer Note no. 2.4)	2,398	2,032	366	-
Investments in certificates of deposit (Refer Note no. 2.4)	1,126	-	1,126	-
Investment in Government securities (Refer Note no. 2.4)	664	664	-	-
Investments in fixed maturity plan securities (Refer Note no. 2.4)	489	-	489	-
Other investments (Refer Note no. 2.4)	54	-	-	54
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer Note no. 2.6)	62	-	62	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer Note no. 2.12)	491	-	491	-
Financial liability under option arrangements (refer to note 2.1.1)	621	-	-	621
Liability towards contingent consideration (Refer note no. 2.12)(1)	340	-	-	340

(1) *Discount rate pertaining to contingent consideration ranges from 8% to 14% .*

During the year ended March 31, 2020, tax free bonds and non-convertible debentures of ₹662 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price and ₹50 crore was transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

The fair value hierarchy of assets and liabilities as at March 31, 2019 was as follows:

(In ₹ crore)

Particulars	As at March 31, 2019	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds (Refer Note no. 2.4)	1,786	1,786	-	-
Investments in tax free bonds (Refer Note no. 2.4)	2,107	1,836	271	-
Investments in government bonds (Refer Note no. 2.4)	18	18	-	-
Investments in equity instruments (Refer Note no. 2.4)	11	-	-	11
Investments in preference securities (Refer Note no. 2.4)	112	-	-	112
Investments in non convertible debentures (Refer Note no. 2.4)	3,266	1,780	1,486	-
Investments in certificates of deposit (Refer Note no. 2.4)	2,482	-	2,482	-
Investment in Government securities (Refer Note no. 2.4)	724	724	-	-
Investments in commercial paper (Refer Note no. 2.4)	495	-	495	-
Investments in fixed maturity plan securities (Refer Note no. 2.4)	458	-	458	-
Other investments (Refer Note no. 2.4)	16	-	-	16
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer Note no. 2.6)	336	-	336	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer Note no. 2.12)	15	-	15	-
Liability towards contingent consideration (Refer note no. 2.12)[(1)]	190	-	-	190

[(1)] *Discount rate pertaining to contingent consideration ranges from 9% to 16% .*

During the year ended March 31, 2019, tax free bonds and non-convertible debentures of ₹336 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price and ₹746 crore was transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets and liabilities does not have a significant impact in its value.

Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Market risk

The Group operates internationally and a major portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales and services in the United States and elsewhere, and purchases from overseas suppliers in various foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

The following table analyses the foreign currency risk from monetary assets and liabilities as at March 31, 2020:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	1,228	507	163	208	1,242	3,348
Trade receivables	11,565	2,331	1,064	652	2,200	17,812
Other financial assets , loans and other current assets	6,125	1,166	381	330	761	8,763
Trade payables	(764)	(157)	(103)	(74)	(1,453)	(2,551)
Lease liabilities	(1,681)	(988)	(355)	(59)	(496)	(3,579)
Other financial liabilities	(5,086)	(1,013)	(197)	(472)	(1,560)	(8,328)
Net assets / (liabilities)	**11,387**	**1,846**	**953**	**585**	**694**	**15,465**

The following table analyses the foreign currency risk from monetary assets and liabilities as at March 31, 2019:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	1,640	266	110	213	1,113	3,342
Trade receivables	9,950	1,844	1,025	527	971	14,317
Other financial assets , loans and other current assets	4,189	873	285	310	748	6,405
Trade payables	(708)	(128)	(139)	(80)	(107)	(1,162)
Other financial liabilities	(4,201)	(560)	(217)	(382)	(759)	(6,119)
Net assets / (liabilities)	**10,870**	**2,295**	**1,064**	**588**	**1,966**	**16,783**

Sensitivity analysis between Indian rupee and U.S. Dollar

Particulars	Year ended March 31,	
	2020	2019
Impact on the Group's incremental operating margins	0.45%	0.47%

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The details in respect of outstanding foreign currency forward and option contracts are as follows:

Particulars	As at March 31, 2020		As at March 31, 2019	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Option Contracts				
In Australian dollars	110	507	120	588
In Euro	120	993	135	1,049
In United Kingdom Pound Sterling	21	196	25	226
Other derivatives				
Forward contracts				
In Australian dollars	2	9	8	37
In Brazilian Real	57	102	-	-
In Canadian dollars	21	117	13	68
In Chinese Yuan	210	226	-	-
In Euro	191	1,581	176	1,367
In Japanese Yen	-	-	550	34
In New Zealand dollars	16	72	16	75
In Norwegian Krone	40	29	40	32
In Philippine Peso	-	-	-	-
In Poland Zloty	92	165	-	-
In Romanian Leu	20	33	-	-
In Singapore dollars	177	954	140	716
In South African Rand	-	-	-	-
In Swedish Krona	50	37	50	37
In Swiss Franc	1	9	25	172
In U.S. dollars	1,048	7,925	955	6,608
In United Kingdom Pound Sterling	50	469	80	724
Option Contracts				
In Australian dollars	-	-	10	49
In Canadian Dollars	-	-	13	69
In Euro	-	-	60	466
In Swiss Franc	-	-	5	35
In U.S. dollars	555	4,196	433	2,995
In United Kingdom Pound Sterling	-	-	10	91
Total forwards and options contracts		**17,620**		**15,438**

The foreign exchange forward and option contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as at the Balance Sheet date:

(In ₹ crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
Not later than one month	5,687	4,432
Later than one month and not later than three months	8,727	6,921
Later than three months and not later than one year	3,206	4,085
	17,620	**15,438**

During the year ended March 31, 2020, the Group has designated certain foreign exchange forward and option contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedges as of March 31, 2020 are expected to occur and reclassified to the consolidated statement of profit and loss within 3 months.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of its forecasted cash flows. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the statement of profit or loss at the time of the hedge relationship rebalancing.

The following table provides reconciliation of cash flow hedge reserve for the year ended March 31, 2020 and March 31, 2019: *(In ₹ crore)*

Particulars	Year ended March 31,	
	2020	**2019**
Gain/(Loss)		
Balance at the beginning of the period	21	-
Gain / (Loss) recognised in other comprehensive income during the period	25	118
Amount reclassified to profit or loss during the period	(73)	(90)
Tax impact on above	12	(7)
Balance at the end of the period	**(15)**	**21**

The Group offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The quantitative information about offsetting of derivative financial assets and derivative financial liabilities is as follows:

(In ₹ crore)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Derivative financial asset	**Derivative financial liability**	**Derivative financial asset**	**Derivative financial liability**
Gross amount of recognized financial asset/liability	86	(515)	338	(17)
Amount set off	(24)	24	(2)	2
Net amount presented in Balance Sheet	**62**	**(491)**	**336**	**(15)**

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 18,487 crore and ₹14,827 crore as at March 31, 2020 and March 31, 2019, respectively and unbilled revenues amounting to ₹7,121 crore and ₹5,374 crore as at March 31, 2020 and March 31, 2019, respectively. Trade receivables and unbilled revenues are typically unsecured and are derived from revenues from customers primarily located in the United States of America. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The matrix takes into account available external and internal credit risk information such as CDS spread quotes, ratings from international credit rating agencies and the Group's historical collection experience for customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and there is no single customer contributing more than 10% of outstanding trade receivables and unbilled revenues.

The following table gives details in respect of percentage of revenues generated from top customer and top ten customers:

(In %)

Particulars	Year ended March 31,	
	2020	**2019**
Revenue from top customer	3.1	3.6
Revenue from top 10 customers	19.2	19.0

Credit risk exposure

The allowance for lifetime ECL on customer balances for year ended March 31, 2020 and March 31, 2019 was ₹161 crore and ₹239 crore, respectively.

The movement in credit loss allowance on customer balance is as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	**2019**
Balance at the beginning	627	449
Impairment loss recognized	161	239
Write-offs	(100)	(73)
Translation differences	17	12
Balance at the end	**705**	**627**

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no realistic prospect of recovery.

Credit exposure

The Group's credit period generally ranges from 30-60 days.

(In ₹crore except otherwise stated)

Particulars	As at	
	March 31, 2020	March 31, 2019
Trade receivables	18,487	14,827
Unbilled revenues	7,121	5,374

Days sales outstanding was 69 days and 66 days as of March 31, 2020 and March 31, 2019, respectively

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high ratings assigned by international and domestic credit rating agencies. Ratings are monitored periodically and the Group has considered the latest available credit ratings in view of COVID – 19 as at the date of approval of these condensed consolidated financial statements.

Majority of investments of the Group are fair valued based on Level 1 or Level 2 inputs. These investments primarily include investment in liquid mutual fund units, fixed maturity plan securities, certificates of deposit, commercial papers, quoted bonds issued by government and quasi-government organizations and non convertible debentures. The Group invests after considering counterparty risks based on multiple criteria including Tier I Capital, Capital Adequacy Ratio, Credit Rating, Profitability, NPA levels and Deposit base of banks and financial institutions. These risks are monitored regularly as per its risk management program.

Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time.

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group has no outstanding borrowings. The Group believes that the working capital is sufficient to meet its current requirements.

As at March 31, 2020, the Group had a working capital of ₹33,720 crore including cash and cash equivalents of ₹18,649 crore and current investments of ₹4,655 crore. As at March 31, 2019, the Group had a working capital of ₹34,240 crore including cash and cash equivalents of ₹19,568 crore and current investments of ₹6,627 crore.

As at March 31, 2020 and March 31, 2019, the outstanding compensated absences were ₹1,870 crore and ₹1,663 crore, respectively, which have been substantially funded. Accordingly no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2020:

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	2,852	-	-	-	2,852
Other financial liabilities (excluding liability towards contingent consideration) (Refer Note no. 2.12)	7,939	22	5	-	7,966
Financial liability under option arrangements	-	-	621	-	621
Liability towards contingent consideration on an undiscounted basis (Refer Note no. 2.12)	225	75	67	-	367

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019:

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	1,655	-	-	-	1,655
Other financial liabilities (excluding liability towards contingent consideration) (Refer Note no. 2.12)	8,716	11	4	-	8,731
Liability towards contingent consideration on an undiscounted basis (Refer Note no. 2.12)	114	83	-	36	233

2.11 EQUITY

Accounting policy

Ordinary Shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buyback are recognized as a deduction from equity, net of any tax effects.

Treasury Shares

When any entity within the Group purchases the company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/ from Securities premium.

In December 2017, Ind AS 12 – Income Taxes was amended which clarified that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. On April 1, 2019, the Group adopted these amendments and there was no impact of these amendments on the Company's Consolidated financial statements.

Description of reserves

Retained earnings
Retained earnings represent the amount of accumulated earnings of the Group.

Securities premium
The amount received in excess of the par value has been classified as securities premium.

Share Options Outstanding Account
The Share options outstanding account is used to record the fair value of equity-settled share based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees.

Other Reserves
The Special Economic Zone Re-investment reserve has been created out of the profit of the eligible SEZ unit in terms of the provisions of Sec 10AA (1)(ii) of Income Tax Act, 1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in terms of the provisions of the Sec 10AA (2) of the Income Tax Act, 1961.

Capital Redemption Reserve
In accordance with section 69 of the Indian Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

Other components of equity
Other components of equity consist of currency translation, remeasurement of net defined benefit liability / asset, equity instruments fair valued through other comprehensive income, changes on fair valuation of investments and changes in fair value of derivatives designated as cash flow hedges, net of taxes.

Currency translation reserve
The exchange differences arising from the translation of financial statements of foreign subsidiaries with functional currency other than Indian rupees is recognised in other comprehensive income and is presented within equity.

Cash flow hedge reserve
When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the consolidated Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

SHARE CAPITAL *(In ₹ crore, except as otherwise stated)*

Particulars	**As at**	
	March 31, 2020	**March 31, 2019**
Authorized		
Equity shares, ₹5 par value		
4,80,00,00,000 (4,80,00,00,000) equity shares	2,400	2,400
Issued, Subscribed and Paid-Up		
Equity shares, ₹5 par value[(1)]	2,122	2,170
4,24,07,53,210 (4,33,59,54,462) equity shares fully paid-up[(2)]		
	2,122	**2,170**

Note: Forfeited shares amounted to ₹1,500 (₹1,500)

[(1)] *Refer note no. 2.21 for details of basic and diluted shares*

[(2)] *Net of treasury shares 1,82,39,356 (2,03,24,982)*

The Company has only one class of shares referred to as equity shares having a par value of ₹5/-. Each holder of equity shares is entitled to one vote per share. The equity shares represented by American Depositary Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts. However, no such preferential amounts exist currently, other than the amounts held by irrevocable controlled trusts. For irrevocable controlled trusts, the corpus would be settled in favour of the beneficiaries.
For details of shares reserved for issue under the employee stock option plan of the Company refer to the note below

In the period of five years immediately preceding March 31, 2020:

Bonus Issue

The Company has allotted 2,18,41,91,490 , 1,14,84,72,332 and 57,42,36,166 fully paid-up shares of face value ₹5/- each during the quarter ended September 30, 2018 , June 30, 2015 and December 31, 2014, respectively pursuant to bonus issue approved by the shareholders through postal ballot. The bonus shares were issued by capitalization of profits transferred from general reserve. Bonus share of one equity share for every equity share held, and a bonus issue, viz., a stock dividend of one American Depositary Share (ADS) for every ADS held, respectively, has been allotted. Consequently, the ratio of equity shares underlying the ADSs held by an American Depositary Receipt holder remains unchanged. Options granted under the stock option plan have been adjusted for bonus shares wherever appropriate.

The bonus shares once allotted shall rank pari passu in all respects and carry the same rights as the existing equity shareholders and shall be entitled to participate in full, in any dividend and other corporate action, recommended and declared after the new equity shares are allotted.

Update on capital allocation policy and buyback

In line with the capital allocation policy announced in April 2018, the Board, in its meeting held on January 11, 2019, approved the following :

(a) Declared a special dividend of ₹4/- per equity share;

(b) Recommended buyback of Equity Shares from the open market route through Indian stock exchanges of up to ₹8,260 crore (Maximum Buyback Size) at a price not exceeding ₹800 per share (Maximum Buyback Price) which would comprise approximately 2.36% of the paid-up equity share capital of the Company, subject to shareholders' approval by way of Postal Ballot.

The shareholders approved the proposal of buyback of equity shares recommended by its Board of Directors in its meeting held on January 11, 2019 through the postal ballot that concluded on March 12, 2019.

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange commenced on March 20, 2019 and was completed on August 26, 2019 . During this buyback period the Company had purchased and extinguished a total of 110,519,266 equity shares from the stock exchange at an average buy back price of ₹747/- per equity share comprising 2.53% of the pre buyback paid-up equity share capital of the Company. The buyback resulted in a cash outflow of ₹8,260 crore (excluding transaction costs). The Company funded the buyback from its free reserves.

In accordance with section 69 of the Companies Act, 2013, as at March 31, 2020 the Company has created 'Capital Redemption Reserve' of ₹55 crore equal to the nominal value of the above shares bought back as an appropriation from general reserve.

After the execution of the above buy back, payment of special dividend (including dividend distribution tax) of ₹2,107 crore in January 2019 and payment of special dividend (including dividend distribution tax) of ₹2,633 crore in June 2018, the Company has completed the distribution of ₹13,000 crore, which was announced as part of its capital allocation policy in April 2018.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As at March 31, 2020, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

The Company declares and pays dividends in Indian rupees. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

Effective fiscal 2018 the Company's policy was to pay up to 70% of the free cash flow annually by way of dividend and/or buyback.

Effective from fiscal 2020, the company expects to return approximately 85% of the free cash flow cumulatively over a 5-year period through a combination of semi-annual dividends and/or share buyback and/or special dividends, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS. Dividend and buyback include applicable taxes.

Amount of per share dividend recognized as distribution to equity shareholders:

(in ₹)

Particulars	Year ended March 31,	
	2020	2019
Final dividend for fiscal 2018*	-	10.25
Special dividend for fiscal 2018*	-	5.00
Interim dividend for fiscal 2019	-	7.00
Special dividend for fiscal 2019	-	4.00
Final dividend for fiscal 2019	10.50	-
Interim dividend for fiscal 2020	8.00	-

**Dividend per share declared previously, retrospectively adjusted for September 2018 bonus issue*

During the year ended March 31, 2020 on account of the final dividend for fiscal 2019 and interim dividend for fiscal 2020 the Company has incurred a net cash outflow of ₹9,517 crore (excluding dividend paid on treasury shares) inclusive of dividend distribution tax.

The Board of Directors in their meeting on April 20, 2020 recommended a final dividend of ₹9.50/- per equity share for the financial year ended March 31, 2020. This payment is subject to the approval of shareholders in the Annual General Meeting of the Company. In view of COVID - 19 the Company is working on an Annual General Meeting date which will be announced by the Company in due course. This final dividend if approved by shareholders would result in a net cash outflow of approximately ₹4,029 crore (excluding dividend paid on treasury shares).

The details of shareholder holding more than 5% shares as at March 31, 2020 and March 31, 2019 are as follows :

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% held	Number of shares	% held
Deutsche Bank Trust Company Americas (Depository of ADR's - legal ownership)	73,93,01,182	17.36	74,62,54,648	17.11
Life Insurance Corporation of India	28,20,08,863	6.62	25,43,32,376	5.83

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2020 and March 31, 2019 are as follows:

(In ₹ crore, except as stated otherwise)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the period	433,59,54,462	2,170	217,33,12,301	1,088
Add: Shares issued on exercise of employee stock options - before bonus issue	-	-	3,92,528	-
Add: Bonus shares issued	-	-	2,173,704,829	1,088
Add: Shares issued on exercise of employee stock options - after bonus issue	2,666,014	1	1,196,804	-
Less: Shares bought back [(1)(2)]	97,867,266	49	12,652,000	6
As at the end of the period	**424,07,53,210**	**2,122**	**433,59,54,462**	**2,170**

[(1)] Includes 18,18,000 shares which have been purchased on account of buyback during the three months ended March 31, 2019 and have not been extinguished as of March 31, 2019

[(2)] Includes 36,36,000 shares which have been purchased on account of buyback during the three months ended March 31, 2019 but have not been settled and therefore not extinguished as of March 31, 2019

Employee Stock Option Plan (ESOP):

Accounting policy

The Group recognizes compensation expense relating to share-based payments in net profit using fair value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

Infosys Expanded Stock Ownership Program 2019 (the 2019 Plan) :

On June 22, 2019 pursuant to approval by the shareholders in the Annual General Meeting , the Board has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company and its subsidiaries under the 2019 Plan. The maximum number of shares under the 2019 plan shall not exceed 50,000,000 equity shares. To implement the 2019 Plan, upto 45,000,000 equity shares may be issued by way of secondary acquisition of shares by Infosys Expanded Stock Ownership Trust. The RSUs granted under the 2019 plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator (Nomination and Remuneration Committee). The performance parameters will be based on a combination of relative Total Shareholder Return (TSR) against selected industry peers and certain broader market domestic and global indices and operating performance metrics of the company as decided by administrator. Each of the above performance parameters will be distinct for the purposes of calculation of quantity of shares to vest based on performance. These instruments will generally vest between a minimum of 1 to maximum of 3 years from the grant date.

2015 Stock Incentive Compensation Plan (the 2015 Plan) :

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board has been authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (the 2015 Plan). The maximum number of shares under the 2015 plan shall not exceed 24,038,883 equity shares (this includes 11,223,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). The Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

The equity settled and cash settled RSUs and stock options would vest generally over a period of 4 years and shall be exercisable within the period as approved by the Nomination and Remuneration Committee (NARC). The exercise price of the RSUs will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant.

Consequent to the September, 2018 bonus issue, all the then outstanding options granted under the stock option plan have been adjusted for bonus shares. Unless otherwise stated, all the prior period share numbers, share prices and weighted average exercise prices in this note have been adjusted to give effect to the September 2018 bonus issue.

Controlled trust holds 18,239,356 and 20,324,982 shares as at March 31, 2020 and March 31, 2019, respectively under the 2015 plan. Out of these shares 200,000 equity shares each have been earmarked for welfare activities of the employees as at March 31, 2020 and March 31, 2019.

The following is the summary of grants during the year ended March 31, 2020 and March 31, 2019 :

Particulars	2019 Plan		2015 Plan	
	Year ended March 31,		Year ended March 31,	
	2020	2019	2020	2019*
Equity Settled RSU				
KMPs	356,793	-	507,896	675,530
Employees other than KMP	1,734,500	-	3,346,280	3,665,170
	2,091,293	**-**	**3,854,176**	**4,340,700**
Cash settled RSU				
KMPs	-	-	180,400	-
Employees other than KMP #	-	-	475,740	74,090
	-	**-**	**656,140**	**74,090**
	2,091,293	**-**	**4,510,316**	**4,414,790**

**Information is adjusted for September 2018 bonus issue.*

Notes on grants to KMP:

CEO & MD

Under the 2015 plan:

In accordance with the employee agreement which has been approved by the shareholders, the CEO is eligible to receive an annual grant of RSUs of fair value ₹3.25 crore which will vest overtime in three equal annual installments upon the completion of each year of service from the respective grant date. Accordingly, annual time-based grant of 41,782 RSUs was made effective February 27, 2020 for fiscal 2020. Though the annual time based grants for the remaining employment term ending on March 31, 2023 have not been granted as of March 31, 2020, since the service commencement date precedes the grant date, the company has recorded employment stock compensation expense in accordance with Ind AS 102, Share based payments.

The Board, on April 12, 2019, based on the recommendations of the Nomination and Remuneration Committee, approved the performance-based grant of RSUs amounting to ₹13 crore for the financial year 2020 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 177,887 performance based RSU's were granted effective May 2, 2019.

In accordance with the shareholders approval in the Annual General meeting held on June 22, 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, approved to amend the vesting period of the annual performance equity grant from three years to one year. Accordingly the vesting period of 217,200 (adjusted for September 2018 bonus issue) performance based RSUs granted effective May 2, 2018 and 177,887 performance based RSU's granted effective May 2,2019 have been amended to one year.

Under the 2019 plan:

In accordance with the shareholders approval in Annual General meeting held on June 22, 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for financial year 2020 under the 2019 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 134,138 performance based RSU's were granted effective June 22, 2019.

COO and Whole time director

Under the 2015 plan:

On February 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time-based grant of 58,650 RSUs granted effective February 27, 2020.

Under the 2019 plan:

In accordance with the shareholders approval in Annual General meeting held on June 22, 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹4 crore for financial year 2020 under the 2019 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 53,655 performance based RSU's were granted effective June 22, 2019

Other KMPs

Under the 2015 plan:

On April 12, 2019, based on the recommendations of the Nomination and Remuneration Committee, in accordance with employment agreement, the Board, approved performance-based grant of 10,263 RSUs and time based grant of 23,946 RSUs to other KMP under the 2015 Plan. The grants were made effective May 2, 2019. The time based RSUs will generally vest over four years and the performance based RSUs will vest over three years based on certain performance targets.

On February 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 375,768 RSUs to other KMPs under the 2015 plan. The grants were made effective February 27, 2020. These RSUs will vest over four years.

Under the 2019 plan:

On February 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance based grants of 169,000 RSUs to other KMPs under the 2019 plan. The grants were made effective February 27, 2020. These RSUs will vest over three years based on achievement of certain performance targets.

Break-up of employee stock compensation expense:

(in ₹ crore)

Particulars	Year ended March 31,	
	2020	**2019**
Granted to:		
KMP	56	33
Employees other than KMP	193	169
Total [(1)]	**249**	**202**
[(1)] *Cash-settled stock compensation expense included above*	11	5

Share based payment arrangements that were modified during the year ended March 31, 2020:

During the year ended March 31, 2020, the company issued stock appreciation rights as replacement for outstanding ADS settled RSU and ESOP awards. The replacement was pursuant to SEBI Circular 'Framework for issue of Depository Receipts' dated October 10, 2019 which prohibited companies to allot ADS to Indian residents and Non resident Indians. The awards were granted after necessary approvals from the NARC. All other terms and conditions of the replaced awards remain the same as the original award.

The replacement awards was accounted as a modification and the fair value on the date of modification of ₹57 crore is recognized as financial liability with a corresponding adjustment to equity.

The activity in the 2015 and 2019 Plan for equity-settled share based payment transactions during the year ended March 31, 2020 and March 31, 2019 is set out as follows:

Particulars	Year ended March 31, 2020		Year ended March 31, 2019*	
	Shares arising out of options	**Weighted average exercise price (₹)**	**Shares arising out of options**	**Weighted average exercise price (₹)**
2015 Plan: RSU				
Outstanding at the beginning	9,181,198	3.13	7,500,818	2.50
Granted	3,854,176	5.00	4,340,700	3.84
Exercised	2,561,218	2.95	1,864,510	2.50
Modification to cash settled awards	1,061,820	-	-	-
Forfeited and expired	631,438	3.29	795,810	2.61
Outstanding at the end	**8,780,898**	**3.96**	**9,181,198**	**3.13**
Exercisable at the end	392,185	2.54	235,256	2.50
2015 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning	1,623,176	516	1,933,826	493
Granted	-	-	-	-
Exercised	104,796	516	117,350	515
Modification to cash settled awards	351,550	-	-	-
Forfeited and expired	66,500	528	193,300	521
Outstanding at the end	**1,100,330**	**539**	**1,623,176**	**516**
Exercisable at the end	780,358	543	698,500	517
2019 Plan: RSU				
Outstanding at the beginning	-	-	-	-
Granted	2,091,293	5.00	-	-
Exercised	-	-	-	-
Forfeited and expired	-	-	-	-
Outstanding at the end	**2,091,293**	**5.00**	**-**	**-**
Exercisable at the end	-	-	-	-

** Information is adjusted for September, 2018 bonus issue*

During the year ended March 31, 2020 and March 31, 2019 the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹751 and ₹701 (adjusted for September 2018 bonus issue) respectively.

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2020 is as follows:

Range of exercise prices per share (₹)	2019 plan - Options outstanding			2015 plan - Options outstanding		
	No. of shares arising out of options	**Weighted average remaining contractual life**	**Weighted average exercise price (₹)**	**No. of shares arising out of options**	**Weighted average remaining contractual life**	**Weighted average exercise price (₹)**
0 - 5 (RSU)	2,091,293	1.76	5.00	8,780,898	1.59	3.96
450 - 600 (ESOP)	-	-	-	1,100,330	3.48	539
	2,091,293	**1.76**	**5.00**	**9,881,228**	**1.80**	**64**

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2019 was as follows:

Range of exercise prices per share (₹)	2015 plan - Options outstanding *		
	No. of shares arising out of options	**Weighted average remaining contractual life**	**Weighted average exercise price (₹)**
2015 Plan:			
0 - 5 (RSU)	9,181,198	1.70	3.13
450 - 600 (ESOP)	1,623,176	5.04	516
	10,804,374	**2.20**	**80**

** Information is adjusted for September, 2018 bonus issue*

As at March 31, 2020 and March 31, 2019, 18,12,895 and 1,77,454 (net of forfeitures) cash settled options were outstanding respectively. The carrying value of liability towards cash settled share based payments was ₹48 crore and ₹9 crore as at March 31, 2020 and March 31, 2019 respectively.

The fair values of the awards are estimated using the Black-Scholes Model for time and non-market performance based options and Monte Carlo simulation model is used for TSR based options.

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the options. Expected volatility of the comparative company have been modelled based on historical movements in the market prices of their publicly traded equity shares during a period equivalent to the expected term of the options. Correlation coefficient is calculated between each peer entity and the indices as a whole or between each entity in the peer group.

The fair value of each equity settled award is estimated on the date of grant with the following assumptions:

Particulars	**For options granted in**			
	Fiscal 2020-Equity Shares-RSU	**Fiscal 2020-ADS-RSU**	**Fiscal 2019-Equity Shares-RSU**	**Fiscal 2019-ADS-RSU**
Weighted average share price (₹) / ($ ADS)[1]	728	10.52	696	10.77
Exercise price (₹)/ ($ADS)[1]	5.00	0.07	3.31	0.06
Expected volatility (%)	22-30	22-26	21-25	22-26
Expected life of the option (years)	1-4	1-4	1-4	1-4
Expected dividends (%)	2-3	2-3	2.65	2.65
Risk-free interest rate (%)	6-7	1-3	7-8	2-3
Weighted average fair value as on grant date (₹) / ($ADS)[1]	607	7.84	648	10.03

[1] *Fiscal 2019 values are adjusted for September 2018 bonus issue wherever applicable*

The expected life of the RSU/ESOP is estimated based on the vesting term and contractual term of the RSU/ESOP, as well as expected exercise behavior of the employee who receives the RSU/ESOP.

2.12 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
Non-current		
Others		
Accrued compensation to employees [1]	22	15
Compensated absences	38	44
Financial liability under option arrangements (refer to note 2.1.1)[2]	621	-
Payable for acquisition of business (refer to note 2.1.1) [2]		
Contingent consideration	121	88
Other Payables [1]	5	-
Total non-current other financial liabilities	**807**	**147**
Current		
Unpaid dividends [1]	30	29
Others		
Accrued compensation to employees [1]	2,958	2,572
Accrued expenses [1]	3,921	3,319
Retention monies [1]	72	112
Payable for acquisition of business		
Contingent consideration (refer note no. 2.1.1) [2]	219	102
Payable by controlled trusts [1]	188	168
Financial liability relating to buyback (refer to note 2.11)[1] [4]	-	1,202
Compensated absences	1,832	1,619
Foreign currency forward and options contracts [2][3]	491	15
Capital creditors [1]	280	676
Other payables [1]	490	638
Total current other financial liabilities	**10,481**	**10,452**
Total other financial liabilities	**11,288**	**10,599**
[1] Financial liability carried at amortized cost	7,966	8,731
[2] Financial liability carried at fair value through profit or loss	1,432	205
[3] Financial liability carried at fair value through other comprehensive income	20	-
Contingent consideration on undiscounted basis	367	233

[4]In accordance with Ind AS 32, Financial Instruments : Presentation, the Company has recorded a financial liability as at March 31, 2019 for the obligation to acquire its own equity shares to the extent of standing instructions provided to its registered broker for the buyback (refer to note 2.11). The financial liability is recognised at the present value of the maximum amount that the Company would be required to pay to the registered broker for buyback, with a corresponding debit in general reserve / retained earnings. The liability has been utilized towards buyback of equity shares which was completed on August 26, 2019.

2.13 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
Non-current		
Others		
Deferred income - government grant on land use rights	43	42
Accrued gratuity (refer to note 2.20.1)	28	30
Accrued provident fund liability (refer to note 2.20.2)	185	-
Deferred rent (refer to note 2.19)	-	174
Deferred income	21	29
Others	2	-
Total non-current other liabilities	**279**	**275**
Current		
Unearned revenue	2,990	2,809
Client deposit	18	26
Others		
Withholding taxes and others	1,759	1,487
Accrued gratuity (refer to note 2.20.1)	3	2
Accrued provident fund liability (refer to note 2.20.2)	64	-
Deferred rent (refer to note 2.19)	-	63
Deferred income - government grant on land use rights	2	1
Others	6	-
Total current other liabilities	**4,842**	**4,388**
Total other liabilities	**5,121**	**4,663**

2.14 PROVISIONS

Accounting policy

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

a. Post sales client support

The Group provides its clients with a fixed-period post sales support on its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time related revenues are recorded and included in Consolidated Statement of Profit and Loss. The Group estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

b. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Group recognizes any impairment loss on the assets associated with that contract.

Provision for post-sales client support and other provisions *(In ₹ crore)*

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Current		
Others		
Post-sales client support and other provisions	572	576
Total provisions	**572**	**576**

The movement in the provision for post-sales client support and other provisions is as follows : *(In ₹ crore)*

Particulars	Year ended
	March 31, 2020
Balance at the beginning	576
Provision recognized/(reversed)	116
Provision utilized	(174)
Exchange difference	54
Balance at the end	**572**

Provision for post sales client support and other provisions represents cost associated with providing post sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of 1 year.

2.15 INCOME TAXES

Accounting policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized 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 it is no longer probable that the related tax benefit will be realized.

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 recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized 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 utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to securities premium.

Income tax expense in the consolidated Statement of Profit and Loss comprises:

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	**2019**
Current taxes	5,775	5,727
Deferred taxes	(407)	(96)
Income tax expense	**5,368**	**5,631**

During the year ended March 31, 2019, the Company entered into Advance Pricing Agreement (APA) in overseas jurisdictions resulting in a reversal of income tax expense of ₹94 crore which pertained to prior periods.

Additionally, income tax expense for the year ended March 31, 2020 and March 31, 2019 includes reversal (net of provisions) of ₹379 crore and ₹129 crore, respectively. These reversals pertain to prior periods on account of adjudication of certain disputed matters in favor of the company across various jurisdictions and on account of changes to tax regulations.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	**2019**
Profit before income taxes	22,007	21,041
Enacted tax rates in India	34.94%	34.94%
Computed expected tax expense	7,691	7,353
Tax effect due to non-taxable income for Indian tax purposes	(2,718)	(2,705)
Overseas taxes	728	719
Tax provision (reversals)	(379)	(176)
Effect of exempt non-operating income	(41)	(58)
Effect of unrecognized deferred tax assets	53	92
Effect of differential tax rates	(81)	(1)
Effect of non-deductible expenses	120	353
Branch profit tax (net of credits)	(35)	25
Others	30	29
Income tax expense	**5,368**	**5,631**

The applicable Indian corporate statutory tax rate for the year ended March 31, 2020 and March 31, 2019 is 34.94% each.

The foreign tax expense is due to income taxes payable overseas principally in the United States. In India, the Group has benefited from certain tax incentives that the Government of India had provided for export of software and services from the units registered under the Special Economic Zones (SEZs) Act, 2005. SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50% of such profits or gains for further five years. Up to 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone re-Investment Reserve out of the profit of the eligible SEZ units and utilization of such reserve by the Group for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

Deferred income tax for the year ended March 31, 2020 and March 31, 2019 substantially relates to origination and reversal of temporary differences.

Infosys is subject to a 15% BPT in the U.S. to the extent its U.S. branch's net profit during the year is greater than the increase in the net assets of the U.S. branch during the year, computed in accordance with the Internal Revenue Code. As at March 31, 2020, Infosys' U.S. branch net assets amounted to approximately ₹5,474 crore. As at March 31, 2020, the Company has a deferred tax liability for branch profit tax of ₹178 crore (net of credits), as the Company estimates that these branch profits are expected to be distributed in the foreseeable future.

Deferred income tax liabilities have not been recognized on temporary differences amounting to ₹8,447 crore and ₹6,007 crore as at March 31, 2020 and March 31, 2019, respectively, associated with investments in subsidiaries and branches as it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets have not been recognized on accumulated losses of ₹3,187 crore and ₹2,624 crore as at March 31, 2020 and March 31, 2019, respectively, as it is probable that future taxable profit will be not available against which the unused tax losses can be utilized in the foreseeable future.

The following table provides details of expiration of unused tax losses as at March 31, 2020:

(In ₹ crore)

Year	As at March 31, 2020
2021	83
2022	142
2023	209
2024	172
2025	121
Thereafter	2,460
Total	**3,187**

The following table provides details of expiration of unused tax losses as at March 31, 2019:

(In ₹ crore)

Year	As at March 31, 2019
2020	173
2021	80
2022	142
2023	198
2024	187
Thereafter	1,844
Total	**2,624**

The following table provides the details of income tax assets and income tax liabilities as at March 31, 2020 and March 31, 2019:

(In ₹ crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
Income tax assets	5,391	6,743
Current income tax liabilities	1,490	1,567
Net current income tax asset / (liability) at the end	**3,901**	**5,176**

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2020 and March 31, 2019 is as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Net current income tax asset/ (liability) at the beginning	5,176	4,027
Translation differences	(4)	(1)
Income tax paid	4,550	6,832
Current income tax expense	(5,775)	(5,727)
Reclassified under assets held for sale (refer note no. 2.1.2)	-	23
Reclassified from held for sale (Refer note 2.1.2)	-	13
Income tax benefit arising on exercise of stock options	9	8
Additions through business combination	(40)	(9)
Tax impact on buyback expenses	4	4
Income tax on other comprehensive income	(19)	6
Net current income tax asset/ (liability) at the end	**3,901**	**5,176**

The movement in gross deferred income tax assets / liabilities (before set off) for the year ended March 31, 2020 is as follows:

(In ₹ crore)

Particulars	Carrying value as at April 1, 2019	Changes through profit and loss	Addition through business	Changes through OCI	Impact on account of Ind AS 116	Reclassified from Held for Sale, net	Translation difference	Carrying value as of March 31, 2020
Deferred income tax assets/(liabilities)								
Property, plant and equipment	262	(20)	1	-	-	-	1	244
Lease liabilities	52	76	-	-	6	-	2	136
Accrued compensation to employees	31	23	-	-	-	-	(2)	52
Trade receivables	176	21	-	-	-	-	-	197
Compensated absences	397	35	-	-	-	-	1	433
Post sales client support	104	7	-	-	-	-	-	111
Credits related to branch profits	340	14	-	-	-	-	23	377
Derivative financial instruments	(106)	255	-	12	-	-	1	162
Intangible assets	16	1	-	-	-	-	3	20
Intangibles arising on business combinations	(128)	44	(326)	-	-	-	(16)	(426)
Branch profit tax	(541)	22	-	-	-	-	(36)	(555)
Others	97	(71)	9	(7)	-	-	(3)	25
Total deferred income tax assets/(liabilities)	**700**	**407**	**(316)**	**5**	**6**	**-**	**(26)**	**776**

The movement in gross deferred income tax assets / liabilities (before set off) for the year ended March 31, 2019 is as follows:

(In ₹ crore)

Particulars	Carrying value as at April 1, 2018	Changes through profit and loss	Addition through business combination	Changes through OCI	Impact on account of Ind AS 116 adoption	Reclassified from Held for Sale, net	Translation difference	Carrying value as of March 31, 2019
Deferred income tax assets/(liabilities)								
Property, plant and equipment	215	46	-	-	-	1	-	262
Accrued compensation to employees	12	16	-	-	-	2	1	31
Trade receivables	141	35	-	-	-	-	-	176
Compensated absences	366	29	-	-	-	2	-	397
Post sales client support	98	5	-	-	-	-	1	104
Credits related to branch profits	341	(22)	-	-	-	-	21	340
Derivative financial instruments	11	(111)	-	(7)	-	-	1	(106)
Intangible assets	9	6	-	-	-	-	1	16
Intangibles arising on business combinations	(38)	63	(56)	-	-	(86)	(11)	(128)
Branch profit tax	(505)	(3)	-	-	-	-	(33)	(541)
Others	91	32	(8)	8	-	28	(2)	149
Total deferred income tax assets/(liabilities)	**741**	**96**	**(64)**	**1**	**-**	**(53)**	**(21)**	**700**

The deferred income tax assets and liabilities are as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Deferred income tax assets after set off	1,744	1,372
Deferred income tax liabilities after set off	(968)	(672)

Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

In assessing the reliability of deferred income tax assets, the management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The management considers the scheduled reversals of deferred income tax liabilities, 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 income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

2.16 REVENUE FROM OPERATIONS

Accounting policy

The Group derives revenues primarily from IT services comprising software development and related services, maintenance, consulting and package implementation, and from licensing of software products and platforms across the Group's core and digital offerings (together called as "software related services"). Contracts with customers are either on a time-and-material, unit of work, fixed-price or on a fixed-timeframe basis.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Group has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Group allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Group estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Group's contracts may include variable consideration including rebates, volume discounts and penalties. The Group includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue on time-and-material and unit of work based contracts, are recognized as the related services are performed. Fixed price maintenance revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Group's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended have been used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the lives of the contracts and are recognized in profit or loss in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.
The billing schedules agreed with customers include periodic performance based billing and / or milestone based progress billings. Revenues in excess of billing are classified as unbilled revenue while billing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for software development and related services and maintenance services, by applying the revenue recognition criteria for each distinct performance obligation, the arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS).When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two distinct 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 Group uses the expected cost plus margin approach in estimating the standalone selling price. 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. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

Contracts with customers includes subcontractor services or third-party vendor equipment or software in certain integrated services arrangements. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when the Group is acting as an agent between the customer and the vendor, and gross when the Group is the principal for the transaction. In doing so, the group first evaluates whether it controls the good or service before it is transferred to the customer. The Group considers whether it has the primary obligation to fulfil the contract, inventory risk, pricing discretion and other factors to determine whether it controls the goods or service and therefore is acting as a principal or an agent.

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Group expects to recover them. Any capitalized contract costs are amortized, with the expense recognised as the Group transfers the related goods or services to the customer.

The Group presents revenues net of indirect taxes in its consolidated statement of profit and loss.

Revenues for the year ended March 31, 2020 and March 31, 2019 are as follows:

(In ₹ crore)

Particulars	**Year ended March 31,**	
	2020	**2019**
Revenue from software services	85,260	78,359
Revenue from products and platforms	5,531	4,316
Total revenue from operations	**90,791**	**82,675**

The Group has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts;(ii) onerous obligations;(iii) penalties relating to breaches of service level agreements, and (iv) termination or deferment of contracts by customers. The Group has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by geography and offerings for each of our business segments. The Group 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.

For the year ended March 31, 2020 and March 31, 2019

(In ₹ crore)

Particulars	Financial Services [1]	Retail[2]	Communication [3]	Energy , Utilities, Resources and Services	Manufacturing	Hi-Tech	Life Sciences[4]	Others [5]	Total
Revenues by Geography*									
North America	16,749	9,222	7,332	6,456	5,131	6,537	3,816	564	55,807
	16,052	*8,792*	*5,579*	*5,867*	*4,336*	*5,914*	*3,066*	*432*	*50,038*
Europe	5,983	3,966	1,925	4,207	3,576	191	1,892	176	21,916
	4,890	*3,836*	*1,897*	*3,550*	*3,497*	*106*	*2,011*	*155*	*19,942*
India	1,311	48	192	12	88	207	39	468	2,365
	1,209	*23*	*56*	*3*	*86*	*137*	*12*	*522*	*2,048*
Rest of the world	4,582	799	2,535	1,061	336	37	90	1,263	10,703
	4,326	*905*	*2,894*	*970*	*233*	*20*	*114*	*1,185*	*10,647*
Total	**28,625**	**14,035**	**11,984**	**11,736**	**9,131**	**6,972**	**5,837**	**2,471**	**90,791**
	26,477	*13,556*	*10,426*	*10,390*	*8,152*	*6,177*	*5,203*	*2,294*	*82,675*
Revenue by offerings									
Digital	11,562	6,165	4,843	4,485	3,481	2,541	1,850	690	35,617
	8,277	*4,715*	*3,598*	*3,061*	*2,427*	*2,084*	*1,289*	*346*	*25,797*
Core	17,063	7,870	7,141	7,251	5,650	4,431	3,987	1,781	55,174
	18,200	*8,841*	*6,828*	*7,329*	*5,725*	*4,093*	*3,914*	*1,948*	*56,878*
Total	**28,625**	**14,035**	**11,984**	**11,736**	**9,131**	**6,972**	**5,837**	**2,471**	**90,791**
	26,477	*13,556*	*10,426*	*10,390*	*8,152*	*6,177*	*5,203*	*2,294*	*82,675*

[1] *Financial Services include enterprises in Financial Services and Insurance*

[2] *Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics*

[3] *Communication includes enterprises in Communication, Telecom OEM and Media*

[4] *Life Sciences includes enterprises in Life sciences and Health care*

[5] *Others include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services*

* *Geographical revenues is based on the domicile of customer.*

Digital Services

Digital Services comprise of service and solution offerings of the Group that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core Services

Core Services comprise traditional offerings of the Group that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services.

Products & platforms

The Group also derives revenues from the sale of products and platforms including Finacle – core banking solution, Edge Suite of products, Infosys Nia - Artificial Intelligence (AI) platform which applies next-generation AI and machine learning, Stater digital platform and Infosys McCamish- insurance platform.

The percentage of revenue from fixed price contracts for each of the three months and year ended March 31, 2020 and March 31, 2019 is approximately 55%.

Trade Receivables and Contract Balances

The timing of revenue recognition, billings and cash collections results in Receivables, Unbilled Revenue, and Unearned Revenue on the Group's Consolidated Balance Sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones.

The Group's Receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of billings from time and material contracts and fixed price maintenance contracts are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

Invoicing to the clients for other fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore Unbilled Revenues for other fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

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

During the year ended March 31, 2020 and March 31, 2019 , the company recognized revenue of ₹2,421 crore and ₹2,237 crore arising from opening unearned revenue as of April 1, 2019 and April 1, 2018 respectively.

During the year ended March 31, 2020 and March 31, 2019, ₹2,971 crore and ₹2,685 crore of unbilled revenue pertaining to other fixed price development contracts as of April 1, 2019 and April 1, 2018, respectively 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 at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group 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 invoicing is on time and material and unit of work based contracts. 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 at March 31, 2020, other than those meeting the exclusion criteria mentioned above, is ₹55,926 crore. Out of this, the Group expects to recognize revenue of around 51% within the next one year and the remaining thereafter. The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019 is ₹51,274 crore. The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them. Generally, customers have not terminated contracts without cause.

2.17 OTHER INCOME, NET

Accounting policy

Other income is comprised primarily of interest income, dividend income, gain/loss on investment and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

Foreign currency

Accounting policy

Functional currency

The functional currency of Infosys, Infosys BPM, controlled trusts, EdgeVerve and Skava is the Indian rupee. The functional currencies for other subsidiaries are their respective local currencies. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are recognized in the Consolidated Statement of Profit and Loss and reported within exchange gains/ (losses) on translation of assets and liabilities, net, except when deferred in Other Comprehensive Income as qualifying cash flow hedges. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the Consolidated Statement of Profit and Loss. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Other Comprehensive Income, net of taxes includes translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as financial instruments and measured at fair value through other comprehensive income (FVOCI).

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the Balance Sheet date.

Effective April 1, 2018, the Group has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

Government grant

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in net profit in the Consolidated Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in net profit in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

Other income for the year ended March 31, 2020 and March 31, 2019 is as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	**2019**
Interest income on financial assets carried at amortized cost:		
Tax free bonds and Government bonds	143	143
Deposit with Bank and others	1,146	1,261
Interest income on financial assets carried at fair value through other comprehensive income:		
Non-convertible debentures and certificates of deposit, commercial paper and government securities	322	646
Income on investments carried at fair value through profit or loss		
Dividend income on liquid mutual funds	2	2
Gain / (loss) on liquid mutual funds and other investments	183	170
Income on investments carried at fair value through other comprehensive income	41	-
Interest income on income tax refund	259	51
Exchange gains/ (losses) on foreign currency forward and options contracts	(511)	185
Exchange gains/ (losses) on translation of assets and liabilities	1,023	133
Miscellaneous income, net	195	291
Total other income	**2,803**	**2,882**

2.18 EXPENSES

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	**2019**
Employee benefit expenses		
Salaries including bonus	49,252	43,894
Contribution to provident and other funds	1,107	946
Share based payments to employees *(Refer note no. 2.11)*	249	202
Staff welfare	279	273
	50,887	**45,315**
Cost of software packages and others		
For own use	1,035	930
Third party items bought for service delivery to clients	1,668	1,623
	2,703	**2,553**
Other expenses		
Repairs and maintenance	1,480	1,269
Power and fuel	229	221
Brand and marketing	528	489
Short-term leases (Refer to Note 2.19)	89	-
Operating leases	-	585
Rates and taxes	193	184
Consumables	100	47
Insurance	90	67
Provision for post-sales client support and others	-	1
Commission to non-whole time directors	8	8
Impairment loss recognized / (reversed) under expected credit loss model	172	248
Contributions towards Corporate Social responsibility	385	266
Others	382	270
	3,656	**3,655**

2.19 Leases

Accounting Policy

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The group 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 group assesses whether: (1) the contract involves the use of an identified asset (2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group 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 the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

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

The Group as a lessor

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

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

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

Transition

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹2,907 crore, 'Net investment in sublease' of ROU asset of ₹430 crore and a lease liability of ₹3,598 crore. The cumulative effect of applying the standard, amounting to ₹40 crore was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note 2.19 of the 2019 Annual Report and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 4.5%.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

(In ₹ crore)

Particulars	**Category of ROU asset**				**Total**
	Land	**Buildings**	**Vehicles**	**Computers**	
Balance as of April 1, 2019	**-**	**2,898**	**9**	**-**	**2,907**
Reclassified on account of adoption of Ind AS 116 (Refer to note 2.2 & 2.3)	634	-	-	-	634
Additions*	1	1,064	6	49	1,120
Additions through business combination (Refer to note 2.1)	-	177	10	-	187
Deletions	(3)	(130)	(1)	-	(134)
Depreciation	(6)	(540)	(9)	(8)	(563)
Translation difference	-	16	-	1	17
Balance as of March 31, 2020	**626**	**3,485**	**15**	**42**	**4,168**

**Net of lease incentives of ₹ 115 crore related to lease of buildings*

The following is the break-up of current and non-current lease liabilities as of March 31, 2020

(In ₹ crore)

Particulars	**Amount**
Current lease liabilities	619
Non-current lease liabilities	4,014
Total	**4,633**

The following is the movement in lease liabilities during the year ended March 31, 2020:

(In ₹ crore)

Particulars	**Year ended March 31, 2020**
Balance at the beginning	**3,598**
Additions	1,241
Additions through business combination (Refer to note 2.1)	224
Deletions	(145)
Finance cost accrued during the period	170
Payment of lease liabilities	(639)
Translation difference	184
Balance at the end	**4,633**

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2020 on an undiscounted basis:

(In ₹ crore)

Particulars	**Amount**
Less than one year	796
One to five years	2,599
More than five years	2,075
Total	**5,470**

The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹89 crore for the year ended March 31,2020

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the consolidated Statement of Profit and Loss.

The following is the movement in the net investment in sublease of ROU assets during the year ended March 31, 2020:

(In ₹ crore)

Particulars	Year ended March 31, 2020
Balance at the beginning	**430**
Interest income accrued during the period	15
Lease receipts	(46)
Translation difference	34
Balance at the end	**433**

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset as of March 31, 2020 on an undiscounted basis:

(In ₹ crore)

Particulars	Amount
Less than one year	50
One to five years	217
More than five years	244
Total	**511**

Leases not yet commenced to which Group is committed is ₹655 crore for a lease term ranging from 2 years to 13 years.

2.20 EMPLOYEE BENEFITS

Accounting policy

Gratuity

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of Infosys and its Indian subsidiaries. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). In case of Infosys BPM and EdgeVerve, contributions are made to the Infosys BPM Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees' Gratuity Fund Trust, respectively. Trustees administer contributions made to the Trusts and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by Indian law.

The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in the Consolidated Statement of Profit and Loss.

Provident fund

Eligible employees of Infosys receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Infosys Limited Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

In respect of Indian subsidiaries, eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the respective companies make monthly contributions to this provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The Companies have no further obligation to the plan beyond its monthly contributions.

Superannuation

Certain employees of Infosys, Infosys BPM and EdgeVerve are participants in a defined contribution plan. The Group has no further obligations to the plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

2.20.1 Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognized in the Group's financial statements as at March 31, 2020 and March 31, 2019:

(In ₹ crore)

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Change in benefit obligations		
Benefit obligations at the beginning	1,351	1,201
Service cost	178	157
Interest expense	90	85
Remeasurements - Actuarial (gains) / losses	(79)	32
Benefits paid	(141)	(128)
Translation difference	3	2
Reclassified from held for sale (refer note no 2.1.2)	-	2
Benefit obligations at the end	**1,402**	**1,351**
Change in plan assets		
Fair value of plan assets at the beginning	1,361	1,216
Interest income	97	90
Remeasurements- Return on plan assets excluding amounts included in interest income	9	4
Contributions	191	174
Benefits paid	(136)	(123)
Fair value of plan assets at the end	**1,522**	**1,361**
Funded status	120	10
Prepaid gratuity benefit (refer to note no 2.9)	151	42
Accrued gratuity (refer to note no 2.13)	(31)	(32)

Amount for the year ended March 31, 2020 and March 31, 2019 recognized in the consolidated statement of Profit and Loss under employee benefit expense:

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	**2019**
Service cost	178	157
Net interest on the net defined benefit liability/(asset)	(7)	(5)
Net gratuity cost	**171**	**152**

Amount for the year ended March 31, 2020 and March 31, 2019 recognized in the consolidated statement of other comprehensive income:

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	**2019**
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial (gains) / losses	(79)	32
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(9)	(4)
	(88)	**28**

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	**2019**
(Gain)/loss from change in demographic assumptions	1	(4)
(Gain)/loss from change in financial assumptions	(57)	30
(Gain)/loss from experience adjustment	(23)	6
	(79)	**32**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2020 and March 31, 2019 are set out below:

Particulars	As at	
	March 31, 2020	**March 31, 2019**
Discount rate [(1)]	6.2%	7.1%
Weighted average rate of increase in compensation levels [(2)]	6.0%	8.0%
Weighted average duration of defined benefit obligation (3)	5.9 years	5.9 years

The weighted-average assumptions used to determine net periodic benefit cost for the year ended March 31, 2020 and March 31, 2019 are set out below:

Particulars	Year ended March 31,	
	2020	**2019**
Discount rate (%)	7.1	7.5
Weighted average rate of increase in compensation levels (%)	8.0	8.0

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

(1) In India, the market for high quality corporate bonds being not developed, the yield of government bonds is considered as the discount rate. The tenure has been considered taking into account the past long-term trend of employees' average remaining service life which reflects the average estimated term of the post-employment benefit obligations.

(2) The average rate of increase in compensation levels is determined by the Company, considering factors such as, the Company's past compensation revision trends and management's estimate of future salary increases.

(3) Attrition rate considered is the management's estimate based on the past long-term trend of employee turnover in the Company.

Sensitivity of significant assumptions used for valuation of defined benefit obligation:

(In ₹ crore)

Impact from percentage point increase / decrease in	As at March 31, 2020
Discount rate	67
Weighted average rate of increase in compensation levels	59

Sensitivity to significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. In practice, this is not probable, and changes in some of the assumptions may be correlated.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit gratuity plans.

The Company contributes all ascertained liabilities towards gratuity to the Infosys Limited Employees' Gratuity Fund Trust. In case of Infosys BPM and EdgeVerve, contributions are made to the Infosys BPM Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees Gratuity Fund Trust, respectively. Trustees administer contributions made to the trust as at March 31, 2020 and March 31, 2019, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the year ended March 31, 2020 and March 31, 2019 were ₹106 crore and ₹95 crore, respectively.

The Group expects to contribute ₹145 crore to the gratuity trusts during fiscal 2021.

Maturity profile of defined benefit obligation:

	(In ₹ crore)
Within 1 year	215
1-2 year	218
2-3 year	220
3-4 year	231
4-5 year	148
5-10 years	1,183

2.20.2 Provident fund

Infosys has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided there is no shortfall as at March 31, 2019.

The details of the benefit obligation as at March 31, 2019 is as follows:

	(In ₹ crore)
Particulars	**As at March 31, 2019**
Benefit obligation at the period end	5,989
Net liability recognized in balance sheet	-

The following tables set out the funded status of the defined benefit provident fund plan of Infosys limited and the amounts recognized in the Company's financial statements as at March 31, 2020

	(In ₹ crore)
Particulars	**As at March 31, 2020**
Change in benefit obligations	
Benefit obligations at the beginning	5,989
Service cost - employer contribution	407
Employee contribution	857
Interest expense	561
Actuarial (gains) / loss	216
Benefits paid	(664)
Benefit obligations at the end	**7,366**
Change in plan assets	
Fair value of plan assets at the beginning	5,989
Interest income	561
Remeasurements- Return on plan assets excluding amounts included in interest income [(1)]	(33)
Contributions	1,264
Benefits paid	(664)
Fair value of plan assets at the end	**7,117**
Net liability (refer to note 2.13)	(249)

[(1)] *Includes unrealized losses on certain investments in bonds*

Amount for the year ended March 31, 2020 recognized in the consolidated statement of other comprehensive income:

	(In ₹ crore)
Particulars	**Year ended March 31, 2020**
Remeasurements of the net defined benefit liability/ (asset)	
Actuarial (gains) / losses	216
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	33
	249

Assumptions used in determining the present value obligation of the defined benefit plan under the Deterministic Approach:

Particulars	As at	
	March 31, 2020	March 31, 2019
Government of India (GOI) bond yield [1]	6.20%	7.10%
Expected rate of return on plan assets	8.00%	9.20%
Remaining term to maturity of portfolio	6 years	5.47 years
Expected guaranteed interest rate		
First year	8.50%	8.65%
Thereafter	8.50%	8.60%

[1] In India, the market for high quality corporate bonds being not developed, the yield of government bonds is considered as the discount rate. The tenure has been considered taking into account the past long-term trend of employees' average remaining service life which reflects the average estimated term of the post-employment benefit obligations.

The breakup of the plan assets into various categories as at March 31, 2020 is as follows:

Particulars	As at
	March 31, 2020
Central and State government bonds	49%
Public sector undertakings and Private sector bonds	48%
Others	3%

The asset allocation for plan assets is determined based on investment criteria prescribed under the relevant regulations.

As at March 31, 2020 the defined benefit obligation would be affected by approximately ₹72 crore and ₹108 on account of a 0.25% increase / decrease in the expected rate of return on plan assets.

The Group contributed ₹639 crore and ₹543 crore to the provident fund during the year ended March 31, 2020 and March 31, 2019, respectively. The same has been recognized in the Consolidated Statement of Profit and Loss under the head employee benefit expense.

In February 2019, the Hon'ble Supreme Court of India vide its judgment and subsequent review petition of August 2019 has ruled in respect of compensation for the purpose of Provident Fund contribution under the Employee's Provident Fund Act. The Company has assessed possible outcomes of the judgment on determination of provident fund contributions and based on the Company's current evaluation of the judgement, it is not probable that certain allowances paid by the Company will be subject to payment of Provident Fund. The Company will continue to monitor and evaluate its position based on future events and developments.

The provident plans are applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit plans.

2.20.3 Superannuation

The Group contributed ₹240 crore and ₹215 crore during the year ended March 31, 2020 and March 31, 2019, respectively and the same has been recognized in the Consolidated Statement of Profit and Loss under the head employee benefit expense.

2.20.4 Employee benefit costs include:

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Salaries and bonus[1]	49,837	44,405
Defined contribution plans	338	307
Defined benefit plans	712	603
	50,887	**45,315**

[1] *Includes employee stock compensation expense of ₹249 crore and ₹202 crore for the year ended March 31, 2020 and March 31, 2019 respectively.*

2.21 RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNINGS PER SHARE

Accounting policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	Year ended March 31,	
	2020	2019
Basic earnings per equity share - weighted average number of equity shares outstanding[(1)]	4,257,754,522	4,347,130,157
Effect of dilutive common equivalent shares - share options outstanding	7,389,706	6,290,615
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	**4,265,144,228**	**4,353,420,772**

Information in the table above is adjusted for September 2018 bonus issue where ever applicable (Refer note no 2.11)

[(1)] Excludes treasury shares

For the year ended March 31, 2020 and March 31, 2019, 13,093 and Nil number of options to purchase equity shares had an anti-dilutive effect, respectively.

2.22 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(In ₹ crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
Contingent liabilities :		
Claims against the Group, not acknowledged as debts[(1)] [Amount paid to statutory authorities ₹5,353 crore *(₹5,925 crore)*]	3,583	3,081
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)[(2)]	1,365	1,724
Other commitments*	61	86

**Uncalled capital pertaining to investments*

[(1)] As at March 31, 2020, claims against the Group not acknowledged as debts in respect of income tax matters amounted to ₹3,353 crore. The claims against the group majorly represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as disallowance of profits earned from STP Units and SEZ Units, disallowance of deductions in respect of employment of new employees under section 80JJAA, disallowance of expenditure towards software being held as capital in nature, payments made to Associated Enterprises held as liable for withholding of taxes. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group's financial position and results of operations.

[(2)] Capital contracts primarily comprises of commitments for infrastructure facilities and computer equipment's.

The Audit Committee appointed an external legal counsel to conduct an independent investigation into the whistleblower allegations which have been previously disclosed to stock exchanges on October 22, 2019 and to the Securities and Exchange Commission (SEC) on Form 6-K on the same date. As previously disclosed on January 10, 2020 the outcome of the investigation has not resulted in restatement of previously issued financial statements.

The Company cooperated with an investigation by the SEC regarding the same matters. In March 2020, the Company received notification from the SEC that the SEC has concluded its investigation and the Company does not anticipate any further action by the SEC on this matter. The Company is responding to all the inquires received from the Indian regulatory authorities and will continue to cooperate with the authorities for any additional requests for information. Additionally, in October 2019, a shareholder class action lawsuit was filed in the United States District Court for the Eastern District of New York against the Company and certain of its current and former officers for alleged violations of the US federal securities laws. The Company is presently unable to predict the scope, duration or the outcome of these matters.

The Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group's management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Group's results of operations or financial condition.

2.23 RELATED PARTY TRANSACTIONS

List of related parties:

Name of subsidiaries	Country	Holdings as at	
		March 31, 2020	March 31, 2019
Infosys Technologies (China) Co. Limited (Infosys China)	China	100%	100%
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	Mexico	100%	100%
Infosys Technologies (Sweden) AB. (Infosys Sweden)	Sweden	100%	100%
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)	China	100%	100%
Infosys Tecnologia DO Brasil LTDA. (Infosys Brasil)[25]	Brazil	-	100%
Infosys Nova Holdings LLC. (Infosys Nova)	U.S.	100%	100%
EdgeVerve Systems Limited (EdgeVerve)	India	100%	100%
Infosys Austria GmbH[1] (formerly Lodestone Management Consultants GmbH)	Austria	100%	100%
Skava Systems Pvt. Ltd. (Skava Systems)	India	100%	100%
Kallidus Inc, (Kallidus)	U.S.	100%	100%
Infosys Chile SpA	Chile	100%	100%
Infosys Arabia Limited[2]	Saudi Arabia	70%	70%
Infosys Consulting Ltda.[2]	Brazil	100%	99.99%
Infosys CIS LLC[1] [18] [26]	Russia	-	-
Infosys Luxembourg S.a.r.l [1] [13]	Luxembourg	100%	100%
Infosys Americas Inc., (Infosys Americas)	U.S.	100%	100%
Infosys Technologies (Australia) Pty. Limited (Infosys Australia)[3]	Australia	-	100%
Infosys Public Services, Inc. USA (Infosys Public Services)	U.S.	100%	100%
Infosys Canada Public Services Inc[19]	Canada	-	-
Infosys BPM Limited	India	99.99%	99.98%
Infosys (Czech Republic) Limited s.r.o.[4]	Czech Republic	99.99%	99.98%
Infosys Poland, Sp z.o.o[4]	Poland	99.99%	99.98%
Infosys McCamish Systems LLC[4]	U.S.	99.99%	99.98%
Portland Group Pty Ltd[4]	Australia	99.99%	99.98%
Infosys BPO Americas LLC.[4]	U.S.	99.99%	99.98%
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland	100%	100%
Lodestone Management Consultants Inc.[5] [11]	U.S.	-	-
Infosys Management Consulting Pty Limited[5]	Australia	100%	100%
Infosys Consulting AG[5]	Switzerland	100%	100%
Infosys Consulting GmbH[5]	Germany	100%	100%
Infosys Consulting S.R.L.[1]	Romania	100%	100%
Infosys Consulting SAS[5]	France	100%	100%
Infosys Consulting s.r.o.[5]	Czech Republic	100%	100%
Infosys Consulting (Shanghai) Co., Ltd.(*formerly Lodestone Management Consultants Co., Ltd)*[5]	China	100%	100%
Infy Consulting Company Ltd[5]	U.K.	100%	100%
Infy Consulting B.V.[5]	The Netherlands	100%	100%
Infosys Consulting Sp. z.o.o[32]	Poland	99.99%	100%
Lodestone Management Consultants Portugal, Unipessoal, Lda.[5]	Portugal	100%	100%
Infosys Consulting S.R.L.[5]	Argentina	100%	100%
Infosys Consulting (Belgium) NV (formerly Lodestone Management Consultants (Belgium) S.A.)[6]	Belgium	99.90%	99.90%
Panaya Inc. (Panaya)	U.S.	100%	100%
Panaya Ltd. [7]	Israel	100%	100%
Panaya GmbH[7]	Germany	100%	100%
Panaya Japan Co. Ltd[7][31]	Japan	-	100%
Brilliant Basics Holdings Limited (Brilliant Basics)	U.K.	100%	100%
Brilliant Basics Limited[8]	U.K.	100%	100%
Brilliant Basics (MENA) DMCC[8] [26]	Dubai	100%	100%
Infosys Consulting Pte Limited (Infosys Singapore)[1]	Singapore	100%	100%
Infosys Middle East FZ LLC[9]	Dubai	100%	100%
Fluido Oy[9] [14]	Finland	100%	100%
Fluido Sweden AB (Extero)[15]	Sweden	100%	100%
Fluido Norway A/S[15]	Norway	100%	100%
Fluido Denmark A/S[15]	Denmark	100%	100%
Fluido Slovakia s.r.o[15]	Slovakia	100%	100%
Fluido Newco AB[15]	Sweden	100%	100%
Infosys Compaz Pte. Ltd (formerly Trusted Source Pte. Ltd)[16]	Singapore	60%	60%
Infosys South Africa (Pty) Ltd[9] [17]	South Africa	-	-
WongDoody Holding Company Inc. (WongDoody)[10]	U.S.	100%	100%
WDW Communications, Inc[12]	U.S.	100%	100%
WongDoody, Inc[12]	U.S.	100%	100%

HIPUS[20]	Japan	81%	-
Stater N.V.[21]	The Netherlands	75%	-
Stater Nederland B.V.[22]	The Netherlands	75%	-
Stater Duitsland B.V.[22]	The Netherlands	75%	-
Stater XXL B.V.[22]	The Netherlands	75%	-
HypoCasso B.V.[22]	The Netherlands	75%	-
Stater Participations B.V.[22]	The Netherlands	75%	-
Stater Deutschland Verwaltungs-GmbH[23]	Germany	75%	-
Stater Deutschland GmbH & Co. KG[23]	Germany	75%	-
Stater Belgium N.V./S.A.[24]	Belgium	53.99%	-
Outbox systems Inc. dba Simplus (US)[27]	U.S.	100%	-
Simplus North America Inc.[28]	Canada	100%	-
Simplus ANZ Pty Ltd.[28]	Australia	100%	-
Simplus Australia Pty Ltd[30]	Australia	100%	-
Sqware Peg Digital Pty Ltd[30]	Australia	100%	-
Simplus Philippines, Inc.[28]	Philippines	100%	-
Simplus Europe, Ltd.[28]	U.K.	100%	-
Simplus U.K., Ltd.[29]	U.K.	100%	-
Simplus Ireland, Ltd.[29]	Ireland	100%	-

[1] *Wholly-owned subsidiary of Infosys Limited*

[2] *Majority owned and controlled subsidiary of Infosys Limited*

[3] *Liquidated effective November 17, 2019*

[4] *Wholly-owned subsidiary of Infosys BPM*

[5] *Wholly-owned subsidiary of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*

[6] *Majority owned and controlled subsidiary of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*

[7] *Wholly-owned subsidiary of Panaya Inc.*

[8] *Wholly-owned subsidiary of Brilliant Basics Holding Limited.*

[9] *Wholly-owned subsidiary of Infosys Consulting Pte Ltd*

[10] *On May 22, 2018, Infosys acquired 100% of the voting interest in WongDoody*

[11] *Liquidated effective May 4, 2018*

[12] *Wholly-owned subsidiary of WongDoody*

[13] *Incorporated effective August 6, 2018*

[14] *On October 11, 2018, Infosys Consulting Pte. Ltd, acquired 100% of the voting interests in Fluido Oy and its subsidiaries*

[15] *Wholly-owned subsidiary of Fluido Oy*

[16] *On November 16, 2018 , Infosys Consulting Pte. Ltd, acquired 60% of the voting interest in Infosys Compaz Pte. Ltd*

[17] *Incorporated effective December 19,2018*

[18] *Incorporated effective November 29, 2018*

[19] *Incorporated effective November 27, 2018, wholly owned subsidiary of Infosys Public Services Inc*

[20] *On April 1, 2019, Infosys Consulting Pte. Ltd, acquired 81% of the voting interests in HIPUS Co. Ltd, Japan*

[21] *On May 23, 2019, Infosys Consulting Pte. Ltd, acquired 75% of the voting interests in Stater N.V*

[22] *Majority owned and controlled subsidiary of Stater N.V*

[23] *Majority owned and controlled subsidiary of Stater Duitsland B.V.*

[24] *Majority owned and controlled subsidiary of Stater Participations B.V.*

[25] *Effective October 1, 2019, merged into Infosys Consulting Ltda, a majority owned and controlled subsidiary of Infosys Ltd.*

[26] *Under Liquidation*

[27] *On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.*

[28] *Wholly-owned subsidiary of Outbox Systems Inc.*

[29] *Wholly-owned subsidiary of Simplus Europe, Ltd.*

[30] *Wholly-owned subsidiary of Simplus ANZ Pty Ltd..*

[31] *Liquidated effective October 31, 2019*

[32] *On February 20, 2020, Infosys Poland, Sp z.o.o, acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG (formerly Lodestone Holding AG).*

Infosys has provided guarantee for performance of certain contracts entered into by its subsidiaries.

List of other related party

Particulars	Country	Nature of relationship
Infosys Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Provident Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys
Infosys BPM Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys BPM
Infosys BPM Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys BPM
EdgeVerve Systems Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of EdgeVerve
EdgeVerve Systems Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of EdgeVerve
Infosys Employees Welfare Trust	India	Controlled trust
Infosys Employee Benefits Trust	India	Controlled trust
Infosys Science Foundation	India	Controlled trust
Infosys Expanded Stock Ownership Trust *	India	Controlled trust

Refer note no. 2.20 for information on transactions with post-employment benefit plans mentioned above.

** Registered on May 15, 2019*

List of key management personnel

Whole-time Directors

Salil Parekh , Chief Executive Officer and Managing Director

U.B. Pravin Rao, Chief Operating Officer

Non-whole-time Directors

Nandan M. Nilekani

Micheal Gibbs (appointed as Independent director effective July 13, 2018)

Ravi Venkatesan (resigned as member of the Board effective May 11, 2018)

Kiran Mazumdar-Shaw

Roopa Kudva (retired as member of the Board effective February 3, 2020)

Dr. Punita Kumar-Sinha

D.N. Prahlad

D. Sundaram

Executive Officers

Nilanjan Roy (appointed as Chief Financial Officer effective March 1, 2019)

Jayesh Sanghrajka (appointed as Interim-Chief Financial Officer effective November 17, 2018. He resumed his responsibilities as Deputy Chief Financial Officer effective March 1, 2019).

M.D. Ranganath (resigned as Chief Financial Officer effective November 16, 2018)

Mohit Joshi, President

Ravi Kumar S, President and Deputy Chief Operating Officer

Krishnamurthy Shankar, Group Head - Human Resources

Inderpreet Sawhney, Group General Counsel and Chief Compliance Officer

Company Secretary

A.G.S. Manikantha

Transaction with key management personnel:

The related party transactions with above KMP which comprise directors and executive officers are as follows :

(In ₹ crore)

Particulars	**Year ended March 31,**	
	2020	**2019**
Salaries and other employee benefits to whole-time directors and executive officers [(1)(2)(3)]	118	96
Commission and other benefits to non-executive/independent directors	8	8
Total	**126**	**104**

[(1)] Total employee stock compensation expense for the year ended March 31, 2020 and March 31, 2019, includes a charge of ₹56 crore and ₹33 crore respectively, towards key managerial personnel. (Refer to note 2.11)

[(2)] On December 20, 2018, the Board appointed Nilanjan Roy as the Chief Financial Officer of the Company with effect from March 1, 2019.

[(3)] Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.

Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements

(In ₹ crore)

Name of entity	Net Assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	as %age of consolidated net assets	Amount	as %age of consolidated profit or loss	Amount	as %age of consolidated other comprehensive income	Amount	as %age of consolidated total comprehensive income	Amount
Infosys Ltd.	85.38%	62,234	90.95%	15,543	102.6%	(234)	90.8%	15,309
Indian Subsidiaries								
Infosys BPM Limited	6.40%	4,666	3.79%	648	(1.32%)	3	3.86%	651
EdgeVerve Systems Limited	(0.83%)	(607)	2.22%	379	(0.44%)	1	2.25%	380
Skava Systems Pvt. Ltd.	0.06%	45	(0.03%)	(4)	0.00%	-	(0.02%)	(4)
Foreign Subsidiaries								
Brilliant Basics (MENA) DMCC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Brilliant Basics Holdings Limited	0.02%	12	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
Brilliant Basics Limited	0.01%	8	0.05%	9	0.00%	-	0.05%	9
Infosys Middle East FZ LLC	(0.01%)	(7)	0.07%	11	(2.19%)	5	0.09%	16
Infosys BPO (Poland) Sp Z.o.o.	0.82%	600	0.02%	3	(1.32%)	3	0.04%	6
Fluido Denmark A/S	0.00%	1	0.03%	4	0.00%	-	0.02%	4
Fluido Newco AB	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Fluido Norway A/S	0.01%	4	0.03%	4	0.00%	-	0.02%	4
Fluido Oy	0.08%	56	0.04%	7	0.00%	-	0.04%	7
Fluido Slovakia s.r.o.	0.01%	4	0.01%	2	0.00%	-	0.01%	2
Fluido Sweden AB	(0.01%)	(6)	(0.05%)	(8)	0.00%	-	(0.05%)	(8)
Infosys Americas Inc.	0.00%	1	0.00%	-	0.00%	-	0.00%	-
Infosys Arabia Limited	0.00%	3	0.00%	-	0.00%	-	0.00%	-
Infosys Technologies (Australia) Pty. Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Infosys BPO Americas LLC	0.01%	8	(0.01%)	(2)	0.00%	-	(0.01%)	(2)
Infosys (Czech Republic) Limited s.r.o.	0.10%	72	0.07%	12	2.63%	(6)	0.04%	6
Infosys Tecnologia DO Brasil LTDA	0.00%	-	(0.16%)	(28)	0.00%	-	(0.17%)	(28)
Infosys Technologies (China) Co. Limited	0.22%	157	0.03%	4	0.00%	-	0.02%	4
Infosys Chile SpA	0.01%	5	0.00%	-	0.00%	-	0.00%	-
Infosys Luxembourg S.a.r.l.	0.00%	3	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
Infosys Technologies S. de R. L. de C. V.	0.28%	203	0.24%	41	0.00%	-	0.24%	41
Infosys Nova Holdings LLC	1.87%	1,362	0.00%	-	0.00%	-	0.00%	-
Infosys Technologies (Shanghai) Company Limited	0.84%	614	(0.71%)	(121)	0.00%	-	(0.72%)	(121)
Infosys Technologies (Sweden) AB.	0.04%	32	0.05%	9	0.00%	-	0.05%	9
Infosys Public Services, Inc.	0.80%	581	0.47%	80	0.00%	-	0.47%	80
Kallidus Inc.	(0.08%)	(60)	(0.17%)	(29)	0.00%	-	(0.17%)	(29)
Infosys Consulting S.R.L.	0.00%	3	0.03%	5	0.00%	-	0.03%	5
Infosys Management Consulting Pty Limited	0.03%	22	0.03%	5	0.00%	-	0.03%	5
Infosys Austria GmbH	0.00%	2	0.01%	2	0.00%	-	0.01%	2
Infosys Consulting (Belgium) NV	(0.03%)	(19)	0.01%	2	0.00%	-	0.01%	2
Infosys Consulting Ltda.	(0.08%)	(59)	(0.39%)	(67)	0.00%	-	(0.40%)	(67)
Infosys Consulting (Shanghai) Co. Ltd.	(0.27%)	(196)	(0.11%)	(19)	0.00%	-	(0.11%)	(19)
Infosys Consulting s.r.o.	0.00%	1	0.00%	-	0.00%	-	0.00%	-
Infosys Consulting SAS	0.01%	9	0.01%	2	0.00%	-	0.01%	2
Infosys Consulting GmbH	0.04%	32	0.26%	44	0.00%	-	0.26%	44
Infosys Consulting Holding AG	0.48%	348	0.54%	93	0.00%	-	0.55%	93
Infy Consulting B.V.	0.02%	15	0.04%	7	0.00%	-	0.04%	7
Infosys Consulting Sp. z.o.o.	0.02%	16	0.10%	17	0.00%	-	0.10%	17
Lodestone Management Consultants Portugal, Unipessoal, Lda.	0.01%	6	0.01%	2	0.00%	-	0.01%	2
S.C. Infosys Consulting S.R.L.	0.04%	28	0.03%	6	0.00%	-	0.04%	6
Infosys Consulting Pte Limited	1.74%	1,270	0.24%	40	0.00%	-	0.24%	40
Infosys Consulting AG	0.18%	131	0.23%	39	0.00%	-	0.23%	39
Infy Consulting Company Ltd.	0.05%	35	0.15%	25	0.00%	-	0.15%	25
Lodestone Management Consultants Inc.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Infosys McCamish Systems LLC	0.58%	425	0.74%	127	0.00%	-	0.75%	127
Noah Consulting LLC	0.00%	1	0.00%	-	0.00%	-	0.00%	-
Noah Information Management Consulting Inc.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Panaya GmbH	0.00%	(2)	0.00%	(1)	0.00%	-	(0.01%)	(1)
Panaya Inc.	0.19%	139	0.01%	1	0.00%	-	0.01%	1
Panaya Japan Co. Ltd.	0.00%	-	0.01%	1	0.00%	-	0.01%	1
Panaya Ltd.	(0.88%)	(644)	(0.25%)	(43)	0.00%	-	(0.26%)	(43)
Portland Group Pty Ltd	0.16%	112	0.03%	5	0.00%	-	0.03%	5
Infosys Compaz Pte. Ltd	0.23%	164	0.31%	54	0.00%	-	0.32%	54
WDW Communications, Inc.	(0.25%)	(180)	(0.07%)	(12)	0.00%	-	(0.07%)	(12)
WongDoody Holding Company Inc.	0.01%	9	0.00%	-	0.00%	-	0.00%	-

WongDoody, Inc.	0.36%	262	0.17%	29	0.00%	-	0.17%	29
HIPUS Co. Ltd.	0.09%	62	0.10%	17	0.00%	-	0.10%	17
Stater N.V.	1.20%	878	0.44%	74	0.00%	-	0.44%	74
Stater Nederland B.V.	0.37%	270	0.29%	49	0.00%	-	0.29%	49
Stater Duitsland B.V.	(0.21%)	(152)	0.00%	-	0.00%	-	0.00%	-
Stater XXL B.V.	0.00%	1	0.00%	-	0.00%	-	0.00%	-
HypoCasso B.V.	0.04%	29	0.09%	16	0.00%	-	0.09%	16
Stater Participations B.V.	(0.33%)	(242)	0.00%	-	0.00%	-	0.00%	-
Stater Deutschland Verwaltungs-GmbH	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Stater Deutschland GmbH & Co. KG	0.03%	25	0.00%	-	0.00%	-	0.00%	-
Stater Belgium N.V./S.A.	0.10%	70	0.02%	3	0.00%	-	0.02%	3
Outbox systems Inc. dba Simplus (US)	0.05%	33	0.00%	1	0.00%	-	0.01%	1
Simplus Australia Pty Ltd	(0.02%)	(15)	0.00%	-	0.00%	-	0.00%	-
Simplus Philippines, Inc.	0.01%	5	0.00%	-	0.00%	-	0.00%	-
Simplus U.K., Ltd.	0.00%	1	0.00%	-	0.00%	-	0.00%	-
Simplus Ireland, Ltd.	0.00%	(2)	0.00%	-	0.00%	-	0.00%	-
Subtotal	**100.00%**	**72,884**	**100%**	**17,086**	**100%**	**(228)**	**100%**	**16,858**
Adjustment arising out of consolidation		(7,199)		(450)		379		(71)
Controlled Trusts		159		3		-		3
		65,844		**16,639**		**151**		**16,790**
Non-controlling Interests		(394)		(45)		(13)		(58)
Total		**65,450**		**16,594**		**138**		**16,732**

2.24 SEGMENT REPORTING

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. The Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the accounting policies.

Business segments of the Group are primarily enterprises in Financial Services and Insurance, enterprises in Manufacturing, enterprises in Retail, Consumer Packaged Goods and Logistics, enterprises in the Energy, Utilities, Resources and Services, enterprises in Communication, Telecom OEM and Media, enterprises in Hi-Tech, enterprises in Life Sciences and Healthcare and all other segments. The Financial services reportable segments has been aggregated to include the Financial Services operating segment and Finacle operating segment because of the similarity of the economic characteristics. All other segments represent the operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services .

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for 'all other segments' represents revenue generated by Infosys Public services and revenue generated from customers located in India, Japan and China and other enterprises in Public services. Allocated expenses of segments include expenses incurred for rendering services from the Group's offshore software development centers and on-site expenses, which are categorized in relation to the associated efforts of the segment. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. The management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the Group.

Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between segments. The management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

Business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

Disclosure of revenue by geographic locations is given in note 2.16 Revenue from operations.

Business Segments

Year ended March 31, 2020 and *March 31, 2019:*

(In ₹ crore)

Particulars	Financial Services	Retail	Communication	Energy, Utilities, Resources and Services	Manufacturing	Hi-Tech	Life Sciences	All other segments	Total
Revenue from operations	**28,625**	**14,035**	**11,984**	**11,736**	**9,131**	**6,972**	**5,837**	**2,471**	**90,791**
	26,477	*13,556*	*10,426*	*10,390*	*8,152*	*6,177*	*5,203*	*2,294*	*82,675*
Identifiable operating expenses	14,977	6,989	7,084	6,104	4,991	4,125	3,212	1,486	**48,968**
	14,164	*6,823*	*5,720*	*5,661*	*4,513*	*3,546*	*2,756*	*1,415*	*44,598*
Allocated expenses	6,342	2,834	2,476	2,416	2,081	1,243	1,194	921	**19,507**
	5,435	*2,699*	*2,189*	*2,187*	*1,786*	*1,083*	*1,028*	*763*	*17,170*
Segmental operating income	**7,306**	**4,212**	**2,424**	**3,216**	**2,059**	**1,604**	**1,431**	**64**	**22,316**
	6,878	*4,034*	*2,517*	*2,542*	*1,853*	*1,548*	*1,419*	*116*	*20,907*
Unallocable expenses*									2,942
									2,027
Other income, net (Refer to note 2.17)									2,803
									2,882
Finance costs (Refer to note 2.19)									(170)
									-
Reduction in the fair value of Disposal Group held for sale (Refer to note 2.1.2)									-
									(270)
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" (Refer to note 2.1.2)									-
									(451)
Profit before tax									**22,007**
									21,041
Income Tax Expense									5,368
									5,631
Net Profit									**16,639**
									15,410
Depreciation and amortization expense									2,893
									2,011
Non-cash expenses other than depreciation and amortization									49
									740

*Unallocable expenses for the year ended March 31, 2020 includes amortization on ROU assets consequent to adoption of Ind AS 116 - Leases effective April 1, 2019

Significant clients

No client individually accounted for more than 10% of the revenues in the year ended March 31, 2020 and March 31, 2019

2.25 FUNCTION WISE CLASSIFICATION OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(In ₹ crore)

Particulars	Note no	Year ended March 31,	
		2020	2019
Revenue from operations	2.16	90,791	82,675
Cost of Sales		60,732	53,867
Gross profit		**30,059**	**28,808**
Operating expenses			
Selling and marketing expenses		4,711	4,473
General and administration expenses		5,974	5,455
Total operating expenses		10,685	9,928
Operating profit		**19,374**	**18,880**
Reduction in the fair value of Disposal Group held for sale	2.1.2	-	(270)
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.1.2	-	(451)
Other income, net	2.17	2,803	2,882
Finance cost	2.19	170	-
Profit before tax		**22,007**	**21,041**
Tax expense:			
Current tax	2.15	5,775	5,727
Deferred tax	2.15	(407)	(96)
Profit for the period		**16,639**	**15,410**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset	2.20 and 2.15	(180)	(22)
Equity instruments through other comprehensive income, net	2.4 and 2.15	(33)	70
		(213)	**48**
Items that will be reclassified subsequently to profit or loss			
Fair value changes on derivatives designated as cash flow hedge, net	2.10 and 2.15	(36)	21
Exchange differences on translation of foreign operations, net		378	63
Fair value changes on investments, net	2.4 and 2.15	22	2
		364	**86**
Total other comprehensive income / (loss), net of tax		**151**	**134**
Total comprehensive income for the period		**16,790**	**15,544**
Profit attributable to:			
Owners of the Company		16,594	15,404
Non-controlling interests		45	6
		16,639	**15,410**
Total comprehensive income attributable to:			
Owners of the Company		16,732	15,538
Non-controlling interests		58	6
		16,790	**15,544**

for and on behalf of the Board of Directors of Infosys Limited

Nandan M. Nilekani	Salil Parekh	U.B. Pravin Rao
Chairman	*Chief Executive Officer and Managing Director*	*Chief Operating Officer and Whole-time Director*
D. Sundaram	Nilanjan Roy	A.G.S. Manikantha
Director	*Chief Financial Officer*	*Company Secretary*

Bengaluru

April 20, 2020