INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Financial Statements under Indian Accounting Standards (Ind AS) for the year ended ended March 31, 2021

Index **Page No.**

INFOSYS LIMITED AND SUBSIDIARIES

(In ₹ crore)

Consolidated Balance Sheet as at	Note	March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2.2	12,560	12,435
Right-of-use assets	2.19	4,794	4,168
Capital work-in-progress		922	954
Goodwill	2.3.1 and 2.1	6,079	5,286
Other intangible assets	2.3.2	2,072	1,900
Financial assets:			
Investments	2.4	11,863	4,137
Loans	2.5	32	21
Other financial assets	2.6	1,141	737
Deferred tax assets (net)	2.15	1,098	1,744
Income tax assets (net)	2.15	5,811	5,384
Other non-current assets	2.9	1,281	1,426
Total non-current assets		**47,653**	**38,192**
Current assets			
Financial assets:			
Investments	2.4	2,342	4,655
Trade receivables	2.7	19,294	18,487
Cash and cash equivalents	2.8	24,714	18,649
Loans	2.5	159	239
Other financial assets	2.6	6,410	5,457
Income tax assets (net)	2.15	-	7
Other Current assets	2.9	7,814	7,082
Total current assets		**60,733**	**54,576**
Total assets		**108,386**	**92,768**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	2,124	2,122
Other equity		74,227	63,328
Total equity attributable to equity holders of the Company		76,351	65,450
Non-controlling interests		431	394
Total equity		**76,782**	**65,844**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Lease liabilities	2.19	4,587	4,014
Other financial liabilities	2.12	1,514	807
Deferred tax liabilities (net)	2.15	875	968
Other non-current liabilities	2.13	763	279
Total non-current liabilities		**7,739**	**6,068**
Current liabilities			
Financial Liabilities			
Trade payables		2,645	2,852
Lease liabilities	2.19	738	619
Other financial liabilities	2.12	11,390	10,481
Other current liabilities	2.13	6,233	4,842
Provisions	2.14	713	572
Income tax liabilities (net)	2.15	2,146	1,490
Total current liabilities		**23,865**	**20,856**
Total equity and liabilities		**108,386**	**92,768**

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. 039826

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

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Mumbai
April 14, 2021

Bengaluru
April 14, 2021

INFOSYS LIMITED AND SUBSIDIARIES

(in ₹ crore, except equity share and per equity share data)

Consolidated Statement of Profit and Loss	Note No.	Year ended March 31,	
		2021	**2020**
Revenue from operations	2.16	100,472	90,791
Other income, net	2.17	2,201	2,803
Total income		**102,673**	**93,594**
Expenses			
Employee benefit expenses	2.18	55,541	50,887
Cost of technical sub-contractors		7,084	6,714
Travel expenses		554	2,710
Cost of software packages and others	2.18	4,223	2,703
Communication expenses		634	528
Consultancy and professional charges		1,261	1,326
Depreciation and amortisation expenses	2.2, 2.3.2 and 2.19	3,267	2,893
Finance cost		195	170
Other expenses	2.18	3,286	3,656
Total expenses		**76,045**	**71,587**
Profit before tax		**26,628**	**22,007**
Tax expense:			
Current tax	2.15	6,672	5,775
Deferred tax	2.15	533	(407)
Profit for the period		**19,423**	**16,639**
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	134	(180)
Equity instruments through other comprehensive income, net	2.4	119	(33)
		253	**(213)**
Items that will be reclassified subsequently to profit or loss			
Fair value changes on derivatives designated as cash flow hedge, net	2.10	25	(36)
Exchange differences on translation of foreign operations		130	378
Fair value changes on investments, net	2.4	(102)	22
		53	**364**
Total other comprehensive income /(loss), net of tax		**306**	**151**
Total comprehensive income for the period		**19,729**	**16,790**
Profit attributable to:			
Owners of the Company		19,351	16,594
Non-controlling interests		72	45
		19,423	**16,639**
Total comprehensive income attributable to:			
Owners of the Company		19,651	16,732
Non-controlling interests		78	58
		19,729	**16,790**
Earnings per Equity share			
Equity shares of par value ₹5/- each			
Basic (₹)		45.61	38.97
Diluted (₹)		45.52	38.91
Weighted average equity shares used in computing earnings per equity share	2.21		
Basic		4,242,416,665	425,77,54,522
Diluted		4,250,732,467	426,51,44,228

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

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for Deloitte Haskins & Sells LLP
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for and on behalf of the Board of Directors of Infosys Limited

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Chief Financial Officer

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Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Mumbai
April 14, 2021

Bengaluru
April 14, 2021

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity Share capital [1]	OTHER EQUITY: RESERVES & SURPLUS: 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	Other comprehensive income: 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*	-	-	(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 to Note 2.20.1)*	-	-	-	-	-	-	-	-	-	-	-	-	(180)	(180)	-	(180)
Equity instruments through other comprehensive income* *(Refer to Notes 2.4 and 2.15)*	-	-	-	-	-	-	-	-	-	(33)	-	-	-	(33)	-	(33)
Fair value changes on derivatives designated as cash flow hedge* *(Refer to Note 2.10)*	-	-	-	-	-	-	-	-	-	-	-	(36)	-	(36)	-	(36)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	365	-	-	365	13	378
Fair value changes on investments* *(Refer to Notes 2.4 and 2.15)*	-	-	-	-	-	-	-	-	-	-	-	-	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
Employee Stock Compensation Expense *(Refer to Note 2.11)*	-	-	-	-	-	238	-	-	-	-	-	-	-	238	-	238
Buyback of equity shares *(Refer to Notes 2.11 and 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	-	-	-	-	-	-	-
Transfer on account of exercise of stock options *(Refer to Note 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 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**

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, 2020	**2,122**	**282**	**56,309**	**54**	**1,158**	**297**	**4,070**	**6**	**111**	**39**	**1207**	**(15)**	**(190)**	**65,450**	**394**	**65,844**
Changes in equity for the year ended March 31, 2021																
Profit for the period	-	-	19,351	-	-	-	-	-	-	-	-	-	-	19,351	72	19,423
Remeasurement of the net defined benefit liability/asset* *(Refer to Note 2.20.1)*	-	-	-	-	-	-	-	-	-	-	-	-	134	134	-	134
Equity instruments through other comprehensive income* *(Refer to Notes 2.4 and 2.15)*	-	-	-	-	-	-	-	-	-	119	-	-	-	119	-	119
Fair value changes on derivatives designated as cash flow hedge* *(Refer to Note 2.10)*	-	-	-	-	-	-	-	-	-	-	-	25	-	25	-	25
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	124	-	-	124	6	130
Fair value changes on investments* *(Refer to Notes 2.4 and 2.15)*	-	-	-	-	-	-	-	-	-	-	-	-	(102)	(102)	-	(102)
Total Comprehensive income for the period	**-**	**-**	**19,351**	**-**	**-**	**-**	**-**	**-**	**-**	**119**	**124**	**25**	**32**	**19,651**	**78**	**19,729**
Shares issued on exercise of employee stock options *(Refer to note 2.11)*	2	13	-	-	-	-	-	-	-	-	-	-	-	15	-	15
Employee stock compensation expense *(Refer to Note 2.11)*	-	-	-	-	-	253	-	-	-	-	-	-	-	253	-	253
Transfer on account of exercise of stock options *(Refer to Note 2.11)*	-	260	-	-	-	(260)	-	-	-	-	-	-	-	-	-	-
Transfer on account of options not exercised	-	-	-	-	3	(3)	-	-	-	-	-	-	-	-	-	-
Effect of modification of share based payment awards *(Refer to note 2.11)*	-	-	-	-	-	85	-	-	-	-	-	-	-	85	-	85
Income tax benefit arising on exercise of stock options	-	45	-	-	-	-	-	-	-	-	-	-	-	45	-	45
Dividends paid to non controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(20)	(20)
Payment towards acquisition of minority interest	-	-	(28)	-	-	-	-	-	-	-	-	-	-	(28)	(21)	(49)
Transfer on account of options not exercised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	(9,120)	-	-	-	-	-	-	-	-	-	-	(9,120)	-	(9,120)
Transfer to general reserve	-	-	(1,554)	-	1,554	-	-	-	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(3,354)	-	-	-	3,354	-	-	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	1,039	-	-	-	(1,039)	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	**2,124**	**600**	**62,643**	**54**	**2,715**	**372**	**6,385**	**6**	**111**	**158**	**1,331**	**10**	**(158)**	**76,351**	**431**	**76,782**

* *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. 039826

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

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Mumbai
April 14, 2021

Bengaluru
April 14, 2021

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, 2021	Year ended March 31, 2020
Cash flow from operating activities			
Profit for the period		19,423	16,639
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.15	7,205	5,368
Depreciation and amortization	2.2, 2.3.2 and 2.19	3,267	2,893
Interest and dividend income	2.17	(1,615)	(1,613)
Finance cost		195	170
Impairment loss recognized / (reversed) under expected credit loss model		190	161
Exchange differences on translation of assets and liabilities, net		(62)	184
Stock compensation expense	2.11	333	249
Other adjustments		(91)	(131)
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(1,835)	(3,861)
Loans, other financial assets and other assets		(534)	76
Trade payables		(245)	(373)
Other financial liabilities, other liabilities and provisions		3,382	1,791
Cash generated from operations		**29,613**	**21,553**
Income taxes paid		(6,389)	(4,550)
Net cash generated by operating activities		**23,224**	**17,003**
Cash flows from investing activities			
Expenditure on property, plant and equipment and intangibles		(2,107)	(3,307)
Deposits placed with corporation		(207)	(108)
Interest and dividend received		1,418	1,929
Payment towards acquisition of business, net of cash acquired		(1,221)	(1,860)
Payment of contingent consideration pertaining to acquisition of business		(158)	(6)
Redemption of escrow pertaining to buyback		-	257
Other receipts		49	46
Other payments		(45)	-
Payments to acquire Investments			
Preference, equity securities and others		-	(41)
Tax free bonds and government bonds		(318)	(19)
Liquid mutual funds and fixed maturity plan securities		(35,196)	(34,839)
Non convertible debentures		(3,689)	(993)
Certificates of deposit		-	(1,114)
Government securities		(7,510)	(1,561)
Others		(25)	(29)
Proceeds on sale of Investments			
Tax free bonds and government bonds		-	87
Non-convertible debentures		1,251	1,888
Government securities		2,704	1,674
Commercial paper		-	500
Certificates of deposit		1,149	2,545
Liquid mutual funds and fixed maturity plan securities		36,353	34,685
Preference and equity securities		73	27
Others		23	-
Net cash (used in) / from investing activities		**(7,456)**	**(239)**

Cash flows from financing activities:			
Payment of lease liabilities		(698)	(571)
Payment of dividends (including dividend distribution tax)		(9,117)	(9,515)
Payment of dividend to non-controlling interest of subsidiary		(20)	(33)
Shares issued on exercise of employee stock options		15	6
Payment towards purchase of non controlling interest		(49)	-
Other receipts		83	-
Buyback of equity shares including transaction cost		-	(7,478)
Net cash used in financing activities		**(9,786)**	**(17,591)**
Net increase / (decrease) in cash and cash equivalents		5,982	(827)
Cash and cash equivalents at the beginning of the period	2.8	18,649	19,568
Effect of exchange rate changes on cash and cash equivalents		83	(92)
Cash and cash equivalents at the end of the period	2.8	**24,714**	**18,649**
Supplementary information:			
Restricted cash balance	2.8	504	396

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
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Executive Vice President and
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Company Secretary

Mumbai
April 14, 2021

Bengaluru
April 14, 2021

Notes to the Consolidated financial statements

1. Overview

1.1 Company overview

Infosys Limited ('the Company' or Infosys) provides consulting, technology, outsourcing and next-generation digital services, to enable 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 Limited 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 14, 2021.

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 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-end 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 Consolidated financial statements comprise the financial statements of the Company, its controlled trusts and its subsidiaries, *as disclosed in Note 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 the 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 in the preparation of these Consolidated financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that 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 the 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 a method to recognize the maintenance revenues requires judgement 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 Notes 2.15 and 2.22* .

In assessing the realizability 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. 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, the 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 2.15)*

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 external 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 the Management. *(Refer to Notes 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 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 to Note 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 2.3.1)* .

f. 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 material changes are required to lease period relating to the existing lease contracts. *(Refer to Note 2.19)*

g. Allowance for credit losses on 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.

2.1 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 Consolidated 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.

Acquisitions during the year ended March 31, 2021

During the year ended March 31, 2021 the Group, completed three business combinations to complement its digital offerings and end to end customer experience offerings to customers by acquiring 100% voting interests in

(i) Kaleidoscope Animations, Inc. a US based Product Design and Development services focused primarily on medical devices on October 9, 2020

(ii) GuideVision, s.r.o a ServiceNow Elite Partner in Europe on October 1, 2020 and

(iii) Beringer Commerce Inc. and Beringer Capital Digital Group Inc., collectively known as Blue Acorn iCi, an Adobe Platinum partner in the US, and a leader in digital customer experience, commerce and analytics on October 27, 2020

The purchase price is allocated to assets acquired and liabilities assumed based upon determination of fair values at the dates of acquisition as follows:

(In ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net Assets[(1)]	137	-	137
Intangible assets –			
Vendor relationships	-	266	266
Customer contracts and relationships	-	179	179
Brand	-	57	57
Software	-	33	33
Deferred tax liabilities on intangible assets	-	(23)	(23)
Total	**137**	**512**	**649**
Goodwill			758
Total purchase price			**1,407**

[(1)] *Includes cash and cash equivalents acquired of ₹ 80 crore.*

The excess of the purchase consideration paid over the fair value of net assets acquired has been attributed to goodwill. Goodwill majorly includes the value expected from increase in revenues from various new streams of business, addition of new customers, and estimated synergies which does not qualify as an intangible asset.

Goodwill amounting to ₹520 crore is not tax deductible. Goodwill pertaining to these business combinations is allocated to all the operating segments as more fully described in Note 2.3.1

The purchase consideration of ₹1,407 crore includes cash of ₹1,307 crore and contingent consideration with an estimated fair value of ₹100 crore as on the date of acquisition.

At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the probabilities assigned towards achievement of financial targets and discount rates ranging from 12% to 13.5%. The undiscounted value of contingent consideration as of March 31, 2021 was ₹116 crore.

Additionally, these acquisitions have retention payouts payable to the employees of the acquiree over the next two to three years, subject to their continuous employment with the group along with achievement of financial targets for the respective years. Retention bonus is recognized in employee benefit expenses in the statement of Profit and Loss over the period of service.

Fair value of trade receivables acquired, is ₹108 crore as of acquisition date and as of March 31, 2021 the amounts are substantially collected.

The transaction costs of ₹11 crore related to the acquisition have been included in the Consolidated Statement of Profit and Loss for the year ended March 31, 2021.

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% voting interests in HIPUS Co., Ltd (HIPUS) a wholly owned subsidiary of Hitachi Ltd, Japan for a total cash consideration of JPY 3.29 billion (approximately ₹206 crore). The Group 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

HIPUS handles indirect materials purchasing functions for the Hitachi Group. The entity provides 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 primary items that generated this goodwill are the value of the acquired assembled workforce and estimated synergies, neither of which qualify as an amortizable intangible asset.

The purchase price is allocated to assets acquired and liabilities assumed based upon determination of fair values at the dates of acquisition as follows:

(in ₹ crore)

Component	**Acquiree's carrying amount**	**Fair value adjustments**	**Purchase price allocated**
Net assets(1)	41	-	41
Intangible assets - Customer contracts and relationships	-	116	116
Deferred tax liabilities on intangible assets	-	(36)	(36)
Total	**41**	**80**	**121**
Goodwill			108
Less: Non-controlling Interest			(23)
Total purchase price			**206**

(1) *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 Consolidated 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% 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.

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 primary items that generated this goodwill are the value of the acquired assembled workforce and estimated synergies, neither of which qualify as an amortizable intangible asset.

The purchase price is allocated to assets acquired and liabilities assumed based upon determination of fair values at the dates of acquisition as follows:

(in ₹ crore)

Component	**Acquiree's carrying amount**	**Fair value adjustments**	**Purchase price allocated**
Net assets(1)	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)
Total	**541**	**543**	**1,084**
Goodwill			399
Less: Non controlling interest			(288)
Total purchase price			**1,195**

(1) *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 has been fully collected..

The transaction costs of ₹5 crore related to the acquisition have been included under administrative expenses in the Consolidated 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% 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 $200 million (approximately ₹1,513 crore), comprising of cash consideration of $180 million (approximately ₹1,362 crore) and contingent consideration of up to $20 million (approximately ₹151 crore),

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 is allocated to assets acquired and liabilities assumed based upon determination of fair values at the dates of acquisition as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets[(1)]	22	-	22
Intangible assets - Customer contracts and relationships	-	152	152
Intangible assets - Vendor Relationships	-	325	325
Intangible assets - Brand	-	111	111
Deferred tax liabilities on intangible assets	-	(152)	(152)
Total	**22**	**436**	**458**
Goodwill			983
Total purchase price			**1,441**

[(1)] *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 has been fully collected..

Additionally, this acquisition has retention payouts of upto US$50 million (₹379 crore) payable to the employees of the acquiree over the next three years, subject to their continuous employment with the group along with achievement of financial targets for the respective years. Retention bonus is recognized in employee benefit expenses in the statement of Profit and Loss over the period of service.

The transaction costs of ₹6 crore related to the acquisition have been included under administrative expenses in the Consolidated Statement of Profit and Loss for the year ended March 31, 2020

Business transfer- Kallidus Inc. and Skava Systems Private Limited

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 for a consideration based on an independent valuation. On August 15, 2020 the company entered into a business transfer agreement to transfer the business of Kallidus Inc. and Skava Systems Private Limited for a consideration of ₹171 crore and ₹66 crore respectively on securing the requisite regulatory approvals. The transaction was between a holding company and a wholly owned subsidiary and therefore was accounted for at carrying values and did not have any impact on the Consolidated financial statements.

On March 9, 2021, Kallidus Inc was liquidated. Further, on March 29, 2021, the shareholders of Skava have approved to voluntarily liquidate the affairs of the Company. Accordingly, Skava will complete the process of voluntary liquidation pursuant to Section 59 of the Insolvency and Bankruptcy Code of 2016 and applicable provisions of the Companies Act, 2013.

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 the 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 the 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, 2021 are as follows:

(In ₹ crore)

Particulars	**Land - Freehold**	**Buildings [(1)]**	**Plant and machinery**	**Office Equipment**	**Computer equipment**	**Furniture and fixtures**	**Leasehold Improvements**	**Vehicles**	**Total**
Gross carrying value as at April 1, 2020	**1,318**	**10,016**	**3,185**	**1,265**	**6,676**	**2,073**	**1,063**	**45**	**25,641**
Additions	82	511	117	118	1,159	91	152	1	2,231
Additions - Business Combination *(Refer to Note 2.1)*	-	-	1	2	4	2	1	-	10
Deletions	(1)	-	(10)	(16)	(211)	(19)	(33)	(2)	(292)
Translation difference	-	38	3	2	11	2	5	-	61
Gross carrying value as at March 31, 2021	**1,399**	**10,565**	**3,296**	**1,371**	**7,639**	**2,149**	**1,188**	**44**	**27,651**
Accumulated depreciation as at April 1, 2020	**-**	**(3,284)**	**(2,145)**	**(934)**	**(4,885)**	**(1,380)**	**(550)**	**(28)**	**(13,206)**
Depreciation	-	(386)	(290)	(123)	(954)	(222)	(185)	(6)	(2,166)
Accumulated depreciation on deletions	-	-	10	15	199	18	33	2	277
Translation difference	-	(5)	-	(1)	4	4	2	-	4
Accumulated depreciation as at March 31, 2021	**-**	**(3,675)**	**(2,425)**	**(1,043)**	**(5,636)**	**(1,580)**	**(700)**	**(32)**	**(15,091)**
Carrying value as at April 1, 2020	**1,318**	**6,732**	**1,040**	**331**	**1,791**	**693**	**513**	**17**	**12,435**
Carrying value as at March 31, 2021	**1,399**	**6,890**	**871**	**328**	**2,003**	**569**	**488**	**12**	**12,560**

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)]**	**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 *(Refer to Note 2.1)*	-	-	-	-	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**

[(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 gain 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 CGUs 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.

A summary of the changes in the carrying amount of goodwill is as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2021	March 31, 2020
Carrying value at the beginning	**5,286**	**3,540**
Goodwill on Hipus acquisition *(Refer to Note 2.1)*	-	108
Goodwill on Stater acquisition *(Refer to Note 2.1)*	-	399
Goodwill on Simplus acquisition *(Refer to Note 2.1)*	-	983
Goodwill on acquisitions (*Refer to Note 2.1*)	758	-
Translation differences	35	256
Carrying value at the end	**6,079**	**5,286**

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 CGUs or groups of CGUs.

The allocation of goodwill to operating segments as at March 31, 2021 and March 31, 2020 is as follows:

(In ₹ crore)

Segment	As at	
	March 31, 2021	March 31, 2020
Financial services	1,359	1,262
Retail	797	500
Communication	605	472
Energy, Utilities, Resources and Services	1,046	886
Manufacturing	487	378
	4,294	**3,498**
Operating segments without significant goodwill	925	766
Total	**5,219**	**4,264**

The goodwill pertaining to Panaya is tested for impairment at the entity level as at March 31, 2021 and amounts to ₹860 crore.

The goodwill pertaining to Panaya, Kallidus and Skava are tested for impairment at the respective entity level, amounting to ₹1,022 crore as at March 31, 2020.

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, 2021	March 31, 2020
Long term growth rate	8-10	7-10
Operating margins	19-21	17-20
Discount rate	11.7	11.9

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. As at March 31, 2021, 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 units.

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 year ended March 31, 2021 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 April 1, 2020	**1,878**	**697**	**1**	**241**	**411**	**3,228**
Additions	-	101	-	-	-	101
Acquisition through business combination *(Refer to Note 2.1)*	179	33	-	57	266	535
Deletions	-	-	-	-	-	-
Translation difference	7	(7)	-	(5)	(11)	(16)
Gross carrying value as at March 31, 2021	**2,064**	**824**	**1**	**293**	**666**	**3,848**
Accumulated amortization as at April 1, 2020	**(755)**	**(450)**	**(1)**	**(66)**	**(56)**	**(1,328)**
Amortization expense	(272)	(53)	-	(34)	(107)	(466)
Deletions	-	-	-	-	-	-
Translation differences	6	11	-	1	-	18
Accumulated amortization as at March 31, 2021	**(1,021)**	**(492)**	**(1)**	**(99)**	**(163)**	**(1,776)**
Carrying value as at April 1, 2020	**1,123**	**247**	**-**	**175**	**355**	**1,900**
Carrying value as at March 31, 2021	**1,043**	**332**	**-**	**194**	**503**	**2,072**
Estimated Useful Life *(in years)*	*1-15*	*3-10*	-	*3-10*	*3-7*	
Estimated Remaining Useful Life *(in years)*	*1-13*	*1-8*	-	*1-9*	*1-7*	

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 to Note 2.1)*	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 *(Refer to Note 2.19)*	-	-	-	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	

** Majorly includes intangibles related to vendor 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, 2021 and March 31, 2020 was ₹ 945 crore and ₹ 829 crore respectively.

2.4 INVESTMENTS

(In ₹ crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Unquoted		
Investments carried at fair value through other comprehensive income *(Refer to Note 2.4.1)*		
Preference securities	165	101
Equity instruments	2	1
	167	**102**
Investments carried at fair value through profit and loss *(Refer to Note 2.4.1)*		
Preference securities	11	9
Compulsorily convertible debentures	7	-
Others [(1)]	74	54
	92	**63**
Quoted		
Investments carried at amortized cost *(Refer to Note 2.4.2)*		
Tax free bonds	2,131	1,825
Government bonds	21	21
	2,152	**1,846**
Investments carried at fair value through other comprehensive income *(Refer to Note 2.4.4)*		
Non convertible debentures	3,985	1,462
Government securities	5,467	664
	9,452	**2,126**
Total non-current investments	**11,863**	**4,137**
Current		
Unquoted		
Investments carried at fair value through profit or loss *(Refer to Note 2.4.3)*		
Liquid mutual fund units	1,500	2,104
	1,500	**2,104**
Investments carried at fair value through other comprehensive income *(Refer to Note 2.4.4)*		
Certificates of deposit	-	1,126
	-	**1,126**
Quoted		
Investments carried at fair value through profit and loss *(Refer to Note 2.4.3)*		
Fixed maturity plan securities	-	489
	-	**489**
Investments carried at fair value through other comprehensive income *(Refer to Note 2.4.4)*		
Non convertible debentures	842	936
	842	**936**
Total current investments	**2,342**	**4,655**
Total investments	**14,205**	**8,792**
Aggregate amount of quoted investments	12,446	5,397
Market value of quoted investments (including interest accrued), current	843	1,425
Market value of quoted investments (including interest accrued), non current	11,997	4,268
Aggregate amount of unquoted investments	1,759	3,395
Investments carried at amortized cost	2,152	1,846
Investments carried at fair value through other comprehensive income	10,461	4,290
Investments carried at fair value through profit or loss	1,592	2,656

[(1)] Uncalled capital commitments outstanding as at March 31, 2021 and March 31, 2020 was ₹42 crore and ₹61 crore, respectively.

Refer to Note 2.10 for Accounting policies on Financial Instruments.

Details of amounts recorded in Other comprehensive income :

(In ₹ crore)

	Year ended March 31, 2021			Year ended March 31, 2020		
	Gross	Tax	Net	Gross	Tax	Net
Net Gain/(loss) on						
Non-convertible debentures	(5)	1	(4)	27	(3)	24
Certificates of deposit	(3)	1	(2)	(4)	2	(2)
Government securities	(114)	18	(96)	-	-	-
Equity and preference securities	136	(17)	119	(27)	(6)	(33)

Method of fair valuation: *(In ₹ crore)*

Class of investment	Method	Fair value as at	
		March 31, 2021	March 31, 2020
Liquid mutual fund units	Quoted price	1,500	2,104
Fixed maturity plan securities	Market observable inputs	-	489
Tax free bonds and government bonds	Quoted price and market observable inputs	2,536	2,144
Non-convertible debentures	Quoted price and market observable inputs	4,827	2,398
Government securities	Quoted price	5,467	664
Certificate of deposits	Market observable inputs	-	1,126
Unquoted equity and preference securities - carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model	167	102
Unquoted equity and preference securities - carried at fair value through profit and loss	Discounted cash flows method, Market multiples method, Option pricing model	11	9
Unquoted compulsorily convertible debentures - carried at fair value through profit and loss	Discounted cash flows method	7	-
Others	Discounted cash flows method, Market multiples method, Option pricing model	74	54
Total		**14,589**	**9,090**

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, 2021 and March 31, 2020 are as follows:

(In ₹ crore, except otherwise stated)

Particulars	As at	
	March 31, 2021	March 31, 2020
Preference securities		
Airviz, Inc.	-	-
2,82,279 (2,82,279) Series A Preferred Stock, fully paid up, par value USD 0.001 each		
Whoop, Inc.	94	40
11,05,934 (16,48,352) Series B Preferred Stock, fully paid up, par value USD 0.0001 each		
Nivetti Systems Private Limited	20	10
2,28,501 (2,28,501) Preferred Stock, fully paid up, par value ₹1/- each		
Trifacta Inc.	40	42
11,80,358 (11,80,358) Series C-1 Preferred Stock		
19,59,823 (19,59,823) Series E Preferred Stock		
Tidalscale, Inc.	11	9
36,74,269 (36,74,269) Series B Preferred Stock		
Ideaforge Technology Private Limited	11	9
5,402 (5,402) Series A compulsorily convertible cumulative Preference shares of ₹10/- each, fully paid up		
Total investment in preference securities	**176**	**110**
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	2	1
15,000 (15,000) equity shares at ₹1,000/- each, fully paid up, par value ₹1,000/- each		
Ideaforge Technology Private Limited	-	-
100 (100) equity shares at ₹10/-, fully paid up		
Total investment in equity instruments	**2**	**1**
Compulsorily convertible debentures		
Ideaforge Technology Private Limited	7	-
3,886 (Nil) compulsorily convertible debentures, fully paid up, par value ₹19,300/- each		
Total investment in debentures	**7**	**-**
Others		
Stellaris Venture Partners India	42	30
The House Fund II, L.P.	32	24
Total investment in others	**74**	**54**
Total	**259**	**165**

2.4.2 Details of investments in tax free bonds and government bonds

The balances held in tax free bonds as at March 31, 2021 and March 31, 2020 are as follows:

(In ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2021			As at March 31, 2020	
	Face Value ₹	Units	Amount	Units	Amount
7.04% Indian Railway Finance Corporation Limited Bonds 03MAR2026	10,00,000	470	49	470	49
7.16% Power Finance Corporation Limited Bonds 17JUL2025	10,00,000	1,000	104	1,000	105
7.18% Indian Railway Finance Corporation Limited Bonds 19FEB2023	1,000	2,000,000	200	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	341
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	20
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	52	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	2,400	289	450	45
8.54% Power Finance Corporation Limited Bonds 16NOV2028	1,000	500,000	50	500,000	50
8.76% National Housing Bank 13JAN2034	5,000	92,000	65	-	-
Total investments in tax-free bonds		**6,899,366**	**2,131**	**6,805,416**	**1,825**

The balances held in government bonds as at March 31, 2021 and March 31, 2020 are as follows:

(In ₹ crore, except as otherwise stated)

Particulars		As at March 31, 2021		As at March 31, 2020	
	Face Value PHP	Units	Amount	Units	Amount
Treasury Notes Philippines Govt. 04DEC2022	10,000	9,000	13	9,000	13
Treasury Notes Philippines Govt. 08MAR2023	10,000	5,500	8	5,500	8
Total investments in government bonds		**14,500**	**21**	**14,500**	**21**

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, 2021 and March 31, 2020 are as follows:

(In ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units	Amount	Units	Amount
ABSL Overnight Regular - Growth	682,683	75	-	-
Aditya Birla Sun Life Cash Manager - Growth	-	-	168,237	8
Aditya Birla Sun life Corporate Bond Fund - Growth - Direct Plan	-	-	26,697,315	211
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan	-	-	1,690,522	54
Aditya Birla Sun Life Overnight Fund - Growth - Direct Plan	1,259,439	140	-	-
Axis Liquid Fund - Growth Option - Direct Plan	899,316	206	-	-
Axis Treasury Advantage Fund - Growth	-	-	865,146	201
Blackrock Liquidity Mutual Fund	3,965,897	29	-	-
HDFC Liquid Fund - Direct Plan - Growth Option	-	-	555,555	217
HDFC Overnight Fund Direct Plan - Growth Option	376,122	115	1,010,508	300
ICICI Prudential Liquid Fund - Direct Plan - Growth	-	-	7,930,594	233
ICICI Prudential Overnight Fund - Direct Plan - Growth	14,075,822	156	-	-
IDFC Banking and PSU Fund - Direct Plan - Growth Option	-	-	88,849,927	160
IDFC Cash Fund - Growth - Direct Plan	402,284	100	-	-
IDFC Corporate Bond - Fund Direct Plan	-	-	11,902,495	17
Kotak Liquid Fund - Direct Plan - Growth Option	628,350	262	747,509	300
Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option	198,715	100	-	-
SBI Overnight Fund - Direct Plan - Growth	484,107	162	922,151	300
SBI Premier Liquid Fund - Direct Plan - Growth	-	-	331,803	103
UTI Overnight Fund - Direct Growth	551,036	155	-	-
Total investments in liquid mutual fund units	**23,523,771**	**1,500**	**141,671,762**	**2,104**

The balances held in fixed maturity plans as at March 31, 2021 and March 31, 2020 are as follows:

(In ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Fixed Term Plan- Series OD 1145 Days - GR Direct	-	-	60,000,000	74
Aditya Birla Sun Life Fixed Term Plan- Series OE 1153 Days - GR Direct	-	-	25,000,000	31
HDFC FMP 1155D Feb 2017 - Direct Growth - Series 37	-	-	38,000,000	47
HDFC FMP 1169D Feb 2017 - Direct- Quarterly Dividend - Series 37	-	-	45,000,000	45
ICICI FMP Series 80-1194 D Plan F Div	-	-	55,000,000	68
ICICI Prudential Fixed Maturity Plan Series 80-1187 Days Plan G Direct Plan	-	-	42,000,000	52
ICICI Prudential Fixed Maturity Plan Series 80-1253 Days Plan J Direct Plan	-	-	30,000,000	37
IDFC Fixed Term Plan Series 129 Direct Plan - Growth 1147 Days	-	-	10,000,000	12
IDFC Fixed Term Plan Series 131 Direct Plan - Growth 1139 Days	-	-	15,000,000	19
Kotak FMP Series 199 Direct - Growth	-	-	35,000,000	44
Nippon India Fixed Horizon Fund-XXXII Series 8 - Dividend Plan	-	-	50,000,000	60
Total investments in fixed maturity plan securities	**-**	**-**	**405,000,000**	**489**

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, 2021 and March 31, 2020 are as follows:

(In ₹ crore, except as otherwise stated)

Particulars		As at March 31, 2021		As at March 31, 2020	
	Face Value ₹	Units	Amount	Units	Amount
5.35% LIC Housing Finance Ltd 20MAR2023	10,00,000	1,000	100	-	-
5.53% LIC Housing Finance Ltd 20DEC2024	10,00,000	4,750	475	-	-
5.40% Housing Development Finance Corporation Ltd 11AUG2023	10,00,000	4,500	468	-	-
5.78% Housing Development Finance Corporation Ltd 25NOV2025	10,00,000	7,750	776	-	-
6.40% LIC Housing Finance Ltd 24JAN2025	10,00,000	4,000	402	-	-
6.43% Housing Development Finance Corporation Ltd 29SEP2025	10,00,000	5,250	545	-	-
6.95% Housing Development Finance Corporation 27APR2023	10,00,000	1,250	137	-	-
6.99% Housing Development Finance Corporation Ltd 13FEB2023	10,00,000	750	78	-	-
7.03% LIC Housing Finance Ltd 28DEC2021	10,00,000	2,500	262	2,500	254
7.20% Housing Development Finance Corporation Ltd 13APR2023	10,00,000	500	55	-	-
7.24% LIC Housing Finance Ltd 23AUG2021	10,00,000	2,500	264	2,500	259
7.33% LIC Housing Finance Ltd 12FEB2025	10,00,000	3,000	315	-	-
7.35% Housing Development Finance Corporation Ltd 10FEB2025	10,00,000	850	88	-	-
7.40% LIC Housing Finance Ltd 06SEP2024	10,00,000	1,500	163	-	-
7.58% LIC Housing Finance Ltd 11JUN2020	10,00,000	-	-	500	52
7.59% LIC Housing Finance Ltd 14OCT2021	10,00,000	-	-	3,000	312
7.75% LIC Housing Finance Ltd 27AUG2021	10,00,000	1,250	132	1,250	131
7.79% LIC Housing Finance Ltd 19JUN2020	10,00,000	-	-	500	53
7.81% LIC Housing Finance Ltd 27APR2020	10,00,000	-	-	2,000	215
8.37% LIC Housing Finance Ltd 10MAY2021	10,00,000	500	54	500	54
8.49% Housing Development Finance Corporation Ltd 27APR2020	5,00,000	-	-	900	49
8.50% Housing Development Finance Corporation Ltd 31AUG2020	1,00,00,000	-	-	100	106
8.50% LIC Housing Finance Ltd 20JUN2022	10,00,000	2,950	327	2,950	323
8.58% Housing Development Finance Corporation Ltd 22MAR2022	10,00,000	1,250	130	1,250	129
8.60% LIC Housing Finance Ltd 22JUL2020	10,00,000	-	-	1,000	107
8.60% LIC Housing Finance Ltd 29JUL2020	10,00,000	-	-	1,750	187
8.75% LIC Housing Finance Ltd 21DEC2020	10,00,000	-	-	1,000	101
8.80% LIC Housing Finance Ltd 24DEC2020	10,00,000	-	-	650	66
9.05% Housing Development Finance Corporation 20NOV2023	10,00,000	500	56	-	-
Total investments in non-convertible debentures		**46,550**	**4,827**	**22,350**	**2,398**

The balances held in government securities as at March 31, 2021 and March 31, 2020 are as follows:

(In ₹ crore, except as otherwise stated)

Particulars		As at March 31, 2021		As at March 31, 2020	
	Face Value ₹	Units	Amount	Units	Amount
5.79% Government of India 11MAY2030	10,000	410,000	402	-	-
5.85% Government of India 01DEC2030	10,000	5,000	5	-	-
6.45% Government of India 07OCT2029	10,000	1,700,000	1,760	-	-
7.17% Government of India 8JAN2028	10,000	-	-	125,000	132
7.26% Government of India 14JAN2029	10,000	1,350,000	1,439	500,000	532
7.57% Government of India 17JUN2033	10,000	950,000	1,039	-	-
7.88% Government of India 19MAR2030	10,000	250,000	273	-	-
8.08% Government of India 02AUG2022	10,000	200,000	213	-	-
8.24% Government of India 15FEB2027	10,000	200,000	222	-	-
8.32% Government of India 02AUG2032	10,000	100,000	114	-	-
Total investments in government securities		**5,165,000**	**5,467**	**625,000**	**664**

The balances held in certificates of deposit as at March 31, 2021 and March 31, 2020 are as follows:

(In ₹ crore, except as otherwise stated)

Particulars		As at March 31, 2021		As at March 31, 2020	
	Face Value ₹	Units	Amount	Units	Amount
Axis Bank	1,00,000	-	-	25,000	240
Bank of Baroda	1,00,000	-	-	65,000	638
Oriental Bank of Commerce	1,00,000	-	-	25,000	248
Total investments in certificates of deposit		**-**	**-**	**115,000**	**1,126**

2.5 LOANS

(In ₹ crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current		
Unsecured, considered good		
Other loans		
Loans to employees	32	21
	32	**21**
Unsecured, considered doubtful		
Other loans		
Loans to employees	28	30
	60	**51**
Less: Allowance for doubtful loans to employees	28	30
Total non-current loans	**32**	**21**
Current		
Unsecured, considered good		
Other loans		
Loans to employees	159	239
Total current loans	**159**	**239**
Total loans	**191**	**260**

2.6 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current		
Security deposits [1]	49	50
Unbilled revenues [1]#	399	-
Rental deposits [1]	217	221
Net investment in sublease of right of use asset *(Refer to Note 2.19)* [1]	350	398
Restricted deposits[1]*	42	55
Others [1]	84	13
Total non-current other financial assets	**1,141**	**737**
Current		
Security deposits [1]	6	8
Rental deposits [1]	30	27
Restricted deposits [1]*	2,016	1,795
Unbilled revenues [1]#	3,173	2,796
Interest accrued but not due [1]	620	474
Foreign currency forward and options contracts [2] [3]	188	62
Net investment in sublease of right of use asset *(Refer to Note 2.19)* [1]	38	35
Others [1]	339	260
Total current other financial assets	**6,410**	**5,457**
Total other financial assets	**7,551**	**6,194**
[1] Financial assets carried at amortized cost	7,363	6,132
[2] Financial assets carried at fair value through other comprehensive income	25	9
[3] Financial assets carried at fair value through profit or loss	163	53

* 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, 2021	As at March 31, 2020
Current		
Unsecured		
Considered good	19,294	18,487
Considered doubtful	619	557
	19,913	19,044
Less: Allowance for credit loss	619	557
Total trade receivables[1]	**19,294**	**18,487**
[1] *Includes dues from companies where directors are interested*	-	**-**

2.8 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
In current and deposit accounts	20,069	12,288
Cash on hand	-	-
Others		
Deposits with financial institutions	4,645	6,361
Total cash and cash equivalents	**24,714**	**18,649**
Balances with banks in unpaid dividend accounts	33	30
Deposit with more than 12 months maturity	13,659	6,895
Balances with banks held as margin money deposits against guarantees	71	71

Cash and cash equivalents as at March 31, 2021 and March 31, 2020 include restricted cash and bank balances of ₹504 crore and ₹396 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 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, 2021	As at March 31, 2020
Non Current		
Capital advances	141	310
Advances other than capital advances		
Others		
Withholding taxes and others	705	777
Unbilled revenues #	195	-
Defined benefit plan assets *(Refer to Note 2.20.1)*	19	151
Prepaid expenses	78	87
Deferred Contract Cost	143	101
Total Non-Current other assets	**1,281**	**1,426**
Current		
Advances other than capital advances		
Payment to vendors for supply of goods	141	145
Others		
Unbilled revenues #	4,354	4,325
Withholding taxes and others	2,091	1,583
Prepaid expenses	1,160	968
Deferred Contract Cost	65	33
Other receivables	3	28
Total Current other assets	**7,814**	**7,082**
Total other assets	**9,095**	**8,508**

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.

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 recognized 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, 2021 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 to Note 2.8)*	24,714	-	-	-	-	24,714	24,714
Investments *(Refer to Note 2.4)*							
Equity and preference securities	-	-	11	167	-	178	178
Compulsorily convertible debentures	-	-	7	-	-	7	7
Tax-free bonds and government bonds	2,152	-	-	-	-	2,152	2,536 (1)
Liquid mutual fund units	-	-	1,500	-	-	1,500	1,500
Non convertible debentures	-	-	-	-	4,827	4,827	4,827
Government securities	-	-	-	-	5,467	5,467	5,467
Other investments	-	-	74	-	-	74	74
Trade receivables *(Refer to Note 2.7)*	19,294	-	-	-	-	19,294	19,294
Loans *(Refer to Note 2.5)*	191	-	-	-	-	191	191
Other financials assets *(Refer to Note 2.6)* (3)	7,363	-	163	-	25	7,551	7,459 (2)
Total	**53,714**	**-**	**1,755**	**167**	**10,319**	**65,955**	**66,247**
Liabilities:							
Trade payables	2,645	-	-	-	-	2,645	2,645
Lease liabilities *(Refer to Note 2.19)*	5,325	-	-	-	-	5,325	5,325
Financial Liability under option arrangements	-	-	693	-	-	693	693
Other financial liabilities *(Refer to Note 2.12)*	9,877	-	217	-	-	10,094	10,094
Total	**17,847**	**-**	**910**	**-**	**-**	**18,757**	**18,757**

(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 ₹92 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, 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 2.8)*	18,649	-	-	-	-	18,649	18,649
Investments *(Refer to Note 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 to Note 2.7)*	18,487	-	-	-	-	18,487	18,487
Loans *(Refer to Note 2.5)*	260	-	-	-	-	260	260
Other financials assets *(Refer to Note 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 *(Refer to Note 2.19)*	4,633	-	-	-	-	4,633	4,633
Financial Liability under option arrangements	-	-	621	-	-	621	621
Other financial liabilities *(Refer to Note 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*

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 measured at fair value on a recurring basis as at March 31, 2021 is as follows :

(In ₹ crore)

Particulars	As at March 31, 2021	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds *(Refer to Note 2.4)*	1,500	1,500	-	-
Investments in tax-free bonds *(Refer to Note 2.4)*	2,513	1,352	1,161	-
Investments in government bonds *(Refer to Note 2.4)*	23	23	-	-
Investments in non convertible debentures *(Refer to Note 2.4)*	4,827	4,532	295	-
Investment in Government securities *(Refer to Note 2.4)*	5,467	5,467	-	-
Investments in equity instruments *(Refer to Note 2.4)*	2	-	-	2
Investments in preference securities *(Refer to Note 2.4)*	176	-	-	176
Investments in compulsorily convertible debentures *(Refer to Note 2.4)*	7	-	-	7
Other investments *(Refer to Note 2.4)*	74	-	-	74
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts *(Refer to Note 2.6)*	188	-	188	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts *(Refer to Note 2.12)*	56	-	56	-
Financial liability under option arrangements	693	-	-	693
Liability towards contingent consideration *(Refer to Note 2.12)* [(1)]	161	-	-	161

[(1)] *Discount rate pertaining to contingent consideration ranges from 8% to 14.5%* .

During the year ended March 31, 2021, tax free bonds and non-convertible debentures of ₹107 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price. Further, tax free bonds and non-convertible debentures of ₹1177 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, 2020 was as follows:

(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 to Note 2.4)*	2,104	2,104	-	-
Investments in tax free bonds *(Refer to Note 2.4)*	2,122	1,960	162	-
Investments in government bonds *(Refer to Note 2.4)*	22	22	-	-
Investments in non convertible debentures *(Refer to Note 2.4)*	2,398	2,032	366	-
Investments in certificates of deposit *(Refer to Note 2.4)*	1,126	-	1,126	-
Investment in Government securities *(Refer to Note 2.4)*	664	664	-	-
Investments in fixed maturity plan securities *(Refer to Note 2.4)*	489	-	489	-
Investments in equity instruments *(Refer to Note 2.4)*	1	-	-	1
Investments in preference securities *(Refer to Note 2.4)*	110	-	-	110
Other investments *(Refer to Note 2.4)*	54	-	-	54
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts *(Refer to Note 2.6)*	62	-	62	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts *(Refer to Note 2.12)*	491	-	491	-
Financial liability under option arrangements	621	-	-	621
Liability towards contingent consideration *(Refer to Note 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.

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

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.

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 Group is also exposed to foreign exchange risk arising on intercompany transaction in foreign currencies. 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 financial assets and liabilities as at March 31, 2021:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Net financial assets	15,647	3,407	1,324	1,216	1,696	23,290
Net financial liabilities	(6,997)	(2,570)	(622)	(802)	(1,368)	(12,359)
Total	**8,650**	**837**	**702**	**414**	**328**	**10,931**

The following table analyses the foreign currency risk from financial assets and liabilities as at March 31, 2020:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Net financial assets	14,900	2,858	1,388	825	1,707	21,678
Net financial liabilities	(6,087)	(1,747)	(667)	(331)	(1,013)	(9,846)
Total	**8,813**	**1,111**	**721**	**494**	**694**	**11,832**

Sensitivity analysis between Indian rupee and U.S. Dollar

Particulars	Year ended March 31,	
	2021	2020
Impact on the Group's incremental operating margins	0.47%	0.45%

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, 2021		As at March 31, 2020	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Option Contracts				
In Australian dollars	92	512	110	507
In Euro	165	1,415	120	993
In United Kingdom Pound Sterling	35	353	21	196
Other derivatives				
Forward contracts				
In Australian dollars	-	-	2	9
In Brazilian Real	-	-	57	102
In Canadian dollars	33	194	21	117
In Chinese Yuan	105	117	210	226
In Czech Koruna	313	103	-	-
In Euro	171	1,466	191	1,581
In New Zealand dollars	16	82	16	72
In Norwegian Krone	25	21	40	29
In Poland Zloty	-	-	92	165
In Romanian Leu	10	17	20	33
In Singapore dollars	241	1,419	177	954
In Swedish Krona	-	-	50	37
In Swiss Franc	27	213	1	9
In U.S. dollars	1,139	8,325	1,048	7,925
In Philippine Peso	800	121	-	-
In United Kingdom Pound Sterling	28	282	50	469
Option Contracts				
In Euro	65	557	-	-
In U.S. dollars	404	2,951	555	4,196
Total forwards and options contracts		**18,148**		**17,620**

The foreign exchange forward and option contracts mature within 12 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, 2021	As at March 31, 2020
Not later than one month	6,159	5,687
Later than one month and not later than three months	8,074	8,727
Later than three months and not later than one year	3,915	3,206
	18,148	**17,620**

During the year ended March 31, 2021 and 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, 2021 are expected to occur and will be 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 the 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 Consolidated Statement of Profit and 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, 2021 and March 31, 2020:

(In ₹ crore)

Particulars	Year ended March 31,	
	2021	**2020**
Gain/(Loss)		
Balance at the beginning of the period	(15)	21
Gain / (Loss) recognised in other comprehensive income during the period	(126)	25
Amount reclassified to profit or loss during the period	160	(73)
Tax impact on above	(9)	12
Balance at the end of the period	**10**	**(15)**

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, 2021		As at March 31, 2020	
	Derivative financial asset	**Derivative financial liability**	**Derivative financial asset**	**Derivative financial liability**
Gross amount of recognized financial asset/liability	201	(69)	86	(515)
Amount set off	(13)	13	(24)	24
Net amount presented in Balance Sheet	**188**	**(56)**	**62**	**(491)**

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 ₹19,294 crore and ₹18,487 crore as at March 31, 2021 and March 31, 2020, respectively and unbilled revenues amounting to ₹8,121 crore and ₹7,121 crore as at March 31, 2021 and March 31, 2020, 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 credit reports and other related credit information to the extent available.

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,	
	2021	**2020**
Revenue from top customer	3.2	3.1
Revenue from top 10 customers	18.1	19.2

Credit risk exposure

The Group’s credit period generally ranges from 30-75 days.

The allowance for lifetime ECL on customer balances for the year ended March 31, 2021 and March 31, 2020 was ₹184 crore and ₹161 crore, respectively.

The movement in credit loss allowance on customer balance is as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2021	**2020**
Balance at the beginning	705	627
Impairment loss recognized	184	161
Write-offs	(123)	(100)
Translation differences	(14)	17
Balance at the end	**752**	**705**

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

(In ₹crore except otherwise stated)

Particulars	As at	
	March 31, 2021	**March 31, 2020**
Trade receivables	19,294	18,487
Unbilled revenues	8,121	7,121

Days sales outstanding was 71 days and 69 days as of March 31, 2021 and March 31, 2020, 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 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, 2021, the Group had a working capital of ₹36,868 crore including cash and cash equivalents of ₹24,714 crore and current investments of ₹2,342 crore. 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, 2021 and March 31, 2020, the outstanding compensated absences were ₹2,117 crore and ₹1,870 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, 2021:

(In ₹ crore)

Particulars	**Less than 1 year**	**1-2 years**	**2-4 years**	**4-7 years**	**Total**
Trade payables	2,645	-	-	-	2,645
Other financial liabilities (excluding liability towards contingent consideration) *(Refer to Note 2.12)*	9,239	411	197	30	9,877
Financial liability under option arrangements	-	615	78	-	693
Liability towards contingent consideration on an undiscounted basis *(Refer to Note 2.12)*	76	67	38	-	181

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 2.12)*	7,939	22	5	-	7,966
Financial liability under option arrangements	-	-	621	-	621
Liability towards contingent consideration on an undiscounted basis *(Refer to Note 2.12)*	225	75	67	-	367

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 the securities premium.

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.

Special Economic Zone Re-investment reserve

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 include 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 the Indian rupees is recognized 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, 2021	**March 31, 2020**
Authorized		
Equity shares, ₹5 par value		
480,00,00,000 (480,00,00,000) equity shares	2,400	2,400
Issued, Subscribed and Paid-Up		
Equity shares, ₹5 par value[(1)]	2,124	2,122
424,51,46,114 (424,07,53,210) equity shares fully paid-up[(2)]		
	2,124	**2,122**

Note: Forfeited shares amounted to ₹1,500 (₹1,500)

[(1)] *Refer to Note 2.21 for details of basic and diluted shares*

[(2)] *Net of treasury shares 1,55,14,732 (1,82,39,356)*

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, 2021:

Bonus Issue

The Company has allotted 2,18,41,91,490 and 1,14,84,72,332 fully paid-up shares of face value ₹5/- each during the quarter ended September 30, 2018 and June 30, 2015 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.

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.

Capital allocation policy and buyback

Effective fiscal 2020, the Company expects to return approximately 85% of the free cash flow cumulatively over a five-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 Ind AS. Dividend and buyback include applicable taxes.

Proposed buyback announced in April 2021:

In line with the capital allocation policy, the Board, at its meeting held on April 14, 2021, approved the buyback of equity shares, from the open market route through the Indian stock exchanges, amounting to ₹9,200 crore (Maximum Buyback Size, excluding buyback tax) at a price not exceeding ₹1,750 per share (Maximum Buyback Price), subject to shareholders' approval in the ensuing Annual General Meeting .

Buyback completed in August 2019:

Based on the postal ballot which concluded on March 12, 2019 the shareholders approved the buyback of equity shares from the open market route through Indian stock exchanges of upto ₹8,260 crore at a price not exceeding ₹800 per share. 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 at March 31, 2021, 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. Income tax consequences of dividends on financial instruments classified as equity will be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits.

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 also subject to withholding tax at applicable rates.

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

(in ₹)

Particulars	**Year ended March 31,**	
	2021	**2020**
Final dividend for fiscal 2019	-	10.50
Interim dividend for fiscal 2020	-	8.00
Final dividend for fiscal 2020	9.50	-
Interim dividend for fiscal 2021	12.00	-

During the year ended March 31, 2021, on account of the final dividend for fiscal 2020 and interim dividend for fiscal 2021, the Company has incurred a net cash outflow of ₹9,120 crore (excluding dividend paid on treasury shares).

The Board of Directors in their meeting on April 14, 2021 recommended a final dividend of ₹15/- per equity share for the financial year ended March 31, 2021. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company to be held on June 19, 2021 and if approved would result in a net cash outflow of approximately ₹6,368 crore (excluding dividend paid on treasury shares).

The details of shareholder holding more than 5% shares as at March 31, 2021 and March 31, 2020 are as follows:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% held	Number of shares	% held
Deutsche Bank Trust Company Americas (Depository of ADR's - legal ownership)	73,24,89,890	17.19	73,93,01,182	17.36
Life Insurance Corporation of India	25,00,63,497	5.87	28,20,08,863	6.62

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2021 and March 31, 2020 are as follows:

(In ₹ crore, except as stated otherwise)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the period	**424,07,53,210**	**2,122**	**433,59,54,462**	**2,170**
Add: Shares issued on exercise of employee stock options	43,92,904	2	26,66,014	1
Less: Shares bought back	-	-	9,78,67,266	49
As at the end of the period	**424,51,46,114**	**2,124**	**424,07,53,210**	**2,122**

Employee Stock Option Plan (ESOP):

Accounting policy

The Group recognizes compensation expense relating to share-based payments in net profit based on estimated fair values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in the statement of profit and loss 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 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 5,00,00,000 equity shares. To implement the 2019 Plan, up to 4,50,00,000 equity shares may be issued by way of secondary acquisition of shares by Infosys Expanded Stock Ownership Trust. The Restricted Stock Units (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 was 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 2,40,38,883 equity shares (this includes 1,12,23,576 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.

Controlled trust holds 1,55,14,732 and 1,82,39,356 shares as at March 31, 2021 and March 31, 2020, respectively under the 2015 plan. Out of these shares 2,00,000 equity shares each have been earmarked for welfare activities of the employees as at March 31, 2021 and March 31, 2020.

The following is the summary of grants during the year ended March 31, 2021 and March 31, 2020:

Particulars	2019 Plan		2015 Plan	
	Year ended March 31,		Year ended March 31,	
	2021	2020	2021	2020
Equity Settled RSU				
KMPs	313,808	356,793	457,151	507,896
Employees other than KMP	1,282,600	1,734,500	2,203,460	3,346,280
	1,596,408	**2,091,293**	**2,660,611**	**3,854,176**
Cash settled RSU				
KMPs	-	-	-	180,400
Employees other than KMP	-	-	115,250	475,740
	-	-	**115,250**	**656,140**
Total Grants	**1,596,408**	**2,091,293**	**2,775,861**	**4,510,316**

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 25,775 RSUs was made effective February 1, 2021 for fiscal 2021. Though the annual time based grants for the remaining employment term ending on March 31, 2023 have not been granted as of March 31, 2021, 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 20, 2020, based on the recommendations of the nomination and remuneration committee, in accordance with the terms of his employment agreement, approved the grant of performance-based RSUs of fair value of ₹13 crore for fiscal 2021 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 192,964 performance based RSU's were granted effective May 2, 2020.

Under the 2019 Plan:

The Board, on April 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for fiscal 2021 under the 2019 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 148,434 performance based RSU's were granted effective May 2, 2020.

COO and Whole time director

Under the 2019 Plan:

The Board, on April 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹4 crore for fiscal 2021 under the 2019 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 59,374 performance based RSU's were granted effective May 2, 2020.

Other KMPs

Under the 2015 Plan:

On April 20, 2020, based on the recommendations of the Nomination and Remuneration Committee, in accordance with employment agreement, the Board, approved performance-based grant of 11,133 RSUs to other KMP under the 2015 Plan. The grants were made effective May 2, 2020. The performance based RSUs will vest over three years based on certain performance targets.

On January 13, 2021, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 13,879 RSUs to other KMPs under the 2015 Plan. The grants were made effective February 1, 2021. These RSUs will vest over four years.

On March 30, 2021, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 213,400 RSUs to other KMPs under the 2015 plan. The grants were made effective March 31, 2021. These RSUs will vest over four years.

Under the 2019 Plan:

On March 30, 2021, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance based grants of 106,000 RSUs to other KMPs under the 2019 plan. The grants were made effective March 31, 2021. These RSUs will vest over three years based on achievement of certain performance targets.

The break-up of employee stock compensation expense is as follows:

(in ₹ crore)

Particulars	**Year ended March 31,**	
	2021	**2020**
Granted to:		
KMP	76	56
Employees other than KMP	257	193
Total [1]	**333**	**249**
[1] *Cash-settled stock compensation expense included above*	80	11

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.

Share based payment arrangements that were modified during the year ended March 31, 2021:

During the year ended March 31, 2021, the company issued ADS settled RSU and ESOP awards as replacement for outstanding stock appreciation rights awards. The replacement was pursuant to SEBI Circular 'Framework for issue of Depository Receipts - Clarifications' dated December 18, 2020 which allows Non resident Indians to hold depository reciepts. 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 ₹85 crore is recognized as equity with a corresponding adjustment to financial liability.

The activity in the 2015 and 2019 Plan for equity-settled share based payment transactions during the year ended March 31, 2021 and March 31, 2020 is set out as follows:

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	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	8,780,898	3.96	9,181,198	3.13
Granted	2,660,611	5.00	3,854,176	5.00
Exercised	3,783,462	3.55	2,561,218	2.95
Modification to equity settled awards	871,900	-	-	-
Modification to cash settled awards	-	-	1,061,820	-
Forfeited and expired	482,707	4.13	631,438	3.29
Outstanding at the end	**8,047,240**	**4.52**	**8,780,898**	**3.96**
Exercisable at the end	151,685	3.36	392,185	2.54
2015 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning	1,100,330	539	1,623,176	516
Granted	-	-	-	-
Exercised	239,272	534	104,796	516
Modification to equity settled options	203,026	-	-	-
Modification to cash settled awards	-	-	351,550	-
Forfeited and expired	14,628	566	66,500	528
Outstanding at the end	**1,049,456**	**535**	**1,100,330**	**539**
Exercisable at the end	1,002,130	536	780,358	543
2019 Plan: RSU				
Outstanding at the beginning	2,091,293	5.00	-	-
Granted	1,596,408	5.00	2,091,293	5.00
Exercised	370,170	5.00	-	-
Forfeited and expired	266,958	5.00	-	-
Outstanding at the end	**3,050,573**	**5.00**	**2,091,293**	**5.00**
Exercisable at the end	233,050	5.00	-	-

During the year ended March 31, 2021 and March 31, 2020 the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹1,097 and ₹751 respectively.

During the year ended March 31, 2021 and March 31, 2020 the weighted average share price of options exercised under the 2019 Plan on the date of exercise was ₹1,166 and Nil respectively.

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2021 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)	3,050,573	1.48	5.00	8,047,240	1.67	4.52
450 - 600 (ESOP)	-	-	-	1,049,456	1.83	535
	3,050,573	**1.48**	**5.00**	**9,096,696**	**1.69**	**66**

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2020 was as follows:

	2019 plan - Options outstanding			2015 plan - Options outstanding		
Range of exercise prices per share (₹)	**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**

As at March 31, 2021 and March 31, 2020, 387,088 and 1,756,521 cash settled options were outstanding respectively. The carrying value of liability towards cash settled share based payments was ₹7 crore and ₹48 crore as at March 31, 2021 and March 31, 2020 respectively.

The fair value 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 2021- Equity Shares-RSU	**Fiscal 2021- ADS-RSU**	**Fiscal 2020- Equity Shares-RSU**	**Fiscal 2020- ADS-RSU**
Weighted average share price (₹) / ($ ADS)	1,253	18.46	728	10.52
Exercise price (₹)/ ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	30-35	30-36	22-30	22-26
Expected life of the option (years)	1-4	1-4	1-4	1-4
Expected dividends (%)	2-3	2-3	2-3	2-3
Risk-free interest rate (%)	4-5	0.1-0.3	6-7	1-3
Weighted average fair value as on grant date (₹) / ($ ADS)	1,124	16.19	607	7.84

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, 2021	As at March 31, 2020
Non-current		
Others		
Accrued compensation to employees [1]	-	22
Accrued expenses [1]	569	-
Compensated absences	97	38
Financial liability under option arrangements [2]	693	621
Payable for acquisition of business - Contingent consideration[2]	86	121
Other Payables [1]	69	5
Total non-current other financial liabilities	**1,514**	**807**
Current		
Unpaid dividends [1]	33	30
Others		
Accrued compensation to employees [1]	4,019	2,958
Accrued expenses [1]	4,475	3,921
Retention monies [1]	13	72
Payable for acquisition of business - Contingent consideration [2]	75	219
Payable by controlled trusts [1]	199	188
Compensated absences	2,020	1,832
Foreign currency forward and options contracts [2] [3]	56	491
Capital creditors [1]	371	280
Other payables [1]	129	490
Total current other financial liabilities	**11,390**	**10,481**
Total other financial liabilities	**12,904**	**11,288**
[1] Financial liability carried at amortized cost	9,877	7,966
[2] Financial liability carried at fair value through profit or loss	910	1,432
[3] Financial liability carried at fair value through other comprehensive income	-	20
Contingent consideration on undiscounted basis	181	367

2.13 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Others		
Withholding taxes and others	364	-
Deferred income - government grants	57	43
Accrued defined benefit plan liability	324	213
Deferred income	17	21
Others	1	2
Total non-current other liabilities	**763**	**279**
Current		
Unearned revenue	4,050	2,990
Client deposit	-	18
Others		
Withholding taxes and others	2,170	1,759
Accrued defined benefit plan liability	6	67
Deferred income - government grants	3	2
Others	4	6
Total current other liabilities	**6,233**	**4,842**
Total other liabilities	**6,996**	**5,121**

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.

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, 2021	**March 31, 2020**
Current		
Others		
Post-sales client support and other provisions	713	572
Total provisions	**713**	**572**

The movement in the provision for post-sales client support and other provisions is as follows:

(In ₹ crore)

Particulars	**Year ended March 31, 2021**
Balance at the beginning	572
Provision recognized / (reversed)	308
Provision utilized	(145)
Exchange difference	(22)
Balance at the end	**713**

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,	
	2021	2020
Current taxes	6,672	5,775
Deferred taxes	533	(407)
Income tax expense	**7,205**	**5,368**

Income tax expense for the year ended March 31, 2021 and March 31, 2020 includes reversal (net of provisions) of ₹348 crore and ₹379 crore, respectively. These reversals pertains to prior periods on account of adjudication of certain disputed matters in favor of the Company and upon filing of return 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,	
	2021	2020
Profit before income taxes	26,628	22,007
Enacted tax rates in India	34.94%	34.94%
Computed expected tax expense	9,305	7,691
Tax effect due to non-taxable income for Indian tax purposes	(2,569)	(2,718)
Overseas taxes	732	728
Tax provision (reversals)	(348)	(379)
Effect of exempt non-operating income	(34)	(41)
Effect of unrecognized deferred tax assets	10	53
Effect of differential tax rates	(129)	(81)
Effect of non-deductible expenses	148	120
Branch profit tax (net of credits)	(27)	(35)
Others	117	30
Income tax expense	**7,205**	**5,368**

The applicable Indian corporate statutory tax rate for the year ended March 31, 2021 and March 31, 2020 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, 2021 and March 31, 2020 substantially 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, 2021, Infosys' U.S. branch net assets amounted to approximately ₹5,622 crore. As at March 31, 2021, the Company has a deferred tax liability for BPT of ₹145 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 ₹9,670 crore and ₹8,386 crore as at March 31, 2021 and March 31, 2020, 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 ₹3,726 crore and ₹3,187 crore as at March 31, 2021 and March 31, 2020, 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, 2021:

(In ₹ crore)

Year	As at March 31, 2021
2022	68
2023	206
2024	135
2025	112
2026	137
Thereafter	3,068
Total	**3,726**

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 the details of income tax assets and income tax liabilities as at March 31, 2021 and March 31, 2020:

(In ₹ crore)

Particulars	As at	
	March 31, 2021	March 31, 2020
Income tax assets	5,811	5,391
Current income tax liabilities	2,146	1,490
Net current income tax asset / (liability) at the end	**3,665**	**3,901**

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2021 and March 31, 2020 is as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2021	2020
Net current income tax asset / (liability) at the beginning	**3,901**	**5,176**
Translation differences	1	(4)
Income tax paid	6,389	4,550
Current income tax expense	(6,672)	(5,775)
Income tax benefit arising on exercise of stock options	45	9
Additions through business combination	(3)	(40)
Tax impact on buyback expenses	-	4
Income tax on other comprehensive income	4	(19)
Net current income tax asset / (liability) at the end	**3,665**	**3,901**

The movement in gross deferred income tax assets / liabilities (before set off) for the year ended March 31, 2021 is as follows:

(In ₹ crore)

Particulars	Carrying value as at April 1, 2020	Changes through profit and loss	Addition through business combination	Changes through OCI	Translation difference	Carrying value as of March 31, 2021
Deferred income tax assets/(liabilities)						
Property, plant and equipment	244	12	-	-	(1)	255
Lease liabilities	136	30	-	-	-	166
Accrued compensation to employees	52	(10)	-	-	-	42
Trade receivables	197	20	-	-	-	217
Compensated absences	433	62	-	-	2	497
Post sales client support	111	11	-	-	(1)	121
Credits related to branch profits	377	(11)	-	-	(11)	355
Derivative financial instruments	162	(210)	-	(9)	-	(57)
Intangible assets	20	13	-	-	(2)	31
Intangibles arising on business combinations	(426)	78	(23)	-	3	(368)
Branch profit tax	(555)	38	-	-	17	(500)
SEZ reinvestment reserve	(82)	(531)	-	-	-	(613)
Others	107	(35)	2	3	-	77
Total deferred income tax assets/(liabilities)	**776**	**(533)**	**(21)**	**(6)**	**7**	**223**

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	Reclassification	Impact on account of Ind AS 116 adoption	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	-	76	-	-	52	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)
SEZ reinvestment reserve	-	(82)	-	-	-	-	-	(82)
Others	149	11	9	(7)	(52)	-	(3)	107
Total deferred income tax assets/(liabilities)	**700**	**407**	**(316)**	**5**	**-**	**6**	**(26)**	**776**

The deferred income tax assets and liabilities are as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2021	March 31, 2020
Deferred income tax assets after set off	1,098	1,744
Deferred income tax liabilities after set off	(875)	(968)

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, the 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, licensing of software products and platforms across the Group's core and digital offerings (together called as "software related services") and business process management services. Contracts with customers are either on a time-and-material, unit of work, fixed-price or on a fixed-timeframe basis.

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 the 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 ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and the 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 are 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 term of the contracts and are recognized in net profit 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 measures 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 on a straight line basis 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. Certain eligible, nonrecurring costs (e.g. set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered. Such capitalized contract costs are amortized over the respective contract life on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

The Group presents revenues net of indirect taxes in its Consolidated Statement of Profit and Loss.

Revenue from operation for the year ended March 31, 2021 and March 31, 2020 are as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2021	**2020**
Revenue from software services	93,387	85,260
Revenue from products and platforms	7,085	5,531
Total revenue from operations	**100,472**	**90,791**

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 continues 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, 2021 and *March 31, 2020* :

(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	19,517	9,722	6,791	6,935	5,126	8,052	4,728	769	61,640
	16,749	*9,222*	*7,332*	*6,456*	*5,131*	*6,537*	*3,816*	*564*	*55,807*
Europe	6,415	4,165	2,893	4,481	3,962	164	2,013	210	24,303
	5,983	*3,966*	*1,925*	*4,207*	*3,576*	*191*	*1,892*	*176*	*21,916*
India	1,568	61	229	33	53	294	16	645	2,899
	1,311	*48*	*192*	*12*	*88*	*207*	*39*	*468*	*2,365*
Rest of the world	5,083	797	2,715	1,090	306	50	113	1,476	11,630
	4,582	*799*	*2,535*	*1,061*	*336*	*37*	*90*	*1,263*	*10,703*
Total	**32,583**	**14,745**	**12,628**	**12,539**	**9,447**	**8,560**	**6,870**	**3,100**	**100,472**
	28,625	***14,035***	***11,984***	***11,736***	***9,131***	***6,972***	***5,837***	***2,471***	***90,791***
Revenue by offerings									
Digital	15,547	7,695	6,478	6,077	4,567	4,160	3,020	1,143	48,687
	11,562	*6,165*	*4,843*	*4,485*	*3,481*	*2,541*	*1,850*	*690*	*35,617*
Core	17,036	7,050	6,150	6,462	4,880	4,400	3,850	1,957	51,785
	17,063	*7,870*	*7,141*	*7,251*	*5,650*	*4,431*	*3,987*	*1,781*	*55,174*
Total	**32,583**	**14,745**	**12,628**	**12,539**	**9,447**	**8,560**	**6,870**	**3,100**	**100,472**
	28,625	***14,035***	***11,984***	***11,736***	***9,131***	***6,972***	***5,837***	***2,471***	***90,791***

(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, and 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, Panaya® platform, Skava® platform, Stater digital platform, and Infosys McCamish – insurance platform.

The percentage of revenue from fixed-price contracts for each of the year ended March 31, 2021 and March 31, 2020 is approximately 50%.

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, 2021 and March 31, 2020, the Company recognized revenue of ₹2,489 crore and ₹2,421 crore arising from opening unearned revenue as of April 1, 2020 and April 1, 2019 respectively.

During the year ended March 31, 2021 and March 31, 2020, ₹3,822 crore and ₹2,971 crore of unbilled revenue pertaining to other fixed price and fixed time frame contracts as of April 1, 2020 and April 1, 2019, 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 fluctuations.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2021, other than those meeting the exclusion criteria mentioned above, is ₹69,890 crore. Out of this, the Group expects to recognize revenue of around 50% 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, 2020 is ₹55,926 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. The related revenue and expense are recognized using the same exchange rate.

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 of, 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.

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, 2021 and March 31, 2020 is as follows:

(In ₹ crore)

Particulars	**Year ended March 31,**	
	2021	**2020**
Interest income on financial assets carried at amortized cost:		
Tax free bonds and Government bonds	143	143
Deposit with Bank and others	1,052	1,146
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	409	322
Income on investments carried at fair value through profit or loss		
Dividend income on liquid mutual funds	11	2
Gain / (loss) on liquid mutual funds and other investments	74	183
Income on investments carried at fair value through other comprehensive income	82	41
Interest income on income tax refund	4	259
Exchange gains / (losses) on foreign currency forward and options contracts	556	(511)
Exchange gains / (losses) on translation of assets and liabilities	(346)	1,023
Miscellaneous income, net	216	195
Total other income	**2,201**	**2,803**

2.18 EXPENSES

(In ₹ crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Employee benefit expenses		
Salaries including bonus	53,616	49,252
Contribution to provident and other funds	1,337	1,107
Share based payments to employees *(Refer to Note 2.11)*	333	249
Staff welfare	255	279
	55,541	**50,887**
Cost of software packages and others		
For own use	1,221	1,035
Third party items bought for service delivery to clients	3,002	1,668
	4,223	**2,703**
Other expenses		
Repairs and maintenance	1,300	1,480
Power and fuel	143	229
Brand and marketing	355	528
Short-term leases *(Refer to Note 2.19)*	82	89
Rates and taxes	256	193
Consumables	111	100
Insurance	134	90
Provision for post-sales client support and others	39	-
Commission to non-whole time directors	6	8
Impairment loss recognized / (reversed) under expected credit loss model	190	172
Contributions towards Corporate Social responsibility*	439	385
Others	231	382
	3,286	**3,656**

*Includes ₹ 37 crore which the Company intends to spend in the future relating to and in addition to the amounts spent in the prior years

2.19 Leases

Accounting Policy

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land, buildings and computers. The Group assesses whether a contract contains a lease at the 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 : (i) the contract involves the use of an identified asset; (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease, and (iii) 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 (ROU) asset 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 ROU 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.

ROU 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. ROU 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 ROU 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” using the modified retrospective method. 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.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of April 1, 2020	**626**	**3,485**	**15**	**42**	**4,168**
Additions*	7	1,234	13	140	1,394
Deletions	-	(147)	-	-	(147)
Depreciation	(7)	(591)	(11)	(26)	(635)
Translation difference	4	3	2	5	14
Balance as of March 31, 2021	**630**	**3,984**	**19**	**161**	**4,794**

*Net of lease incentives of ₹94 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	634	-	-	-	634
Additions*	1	1,064	6	49	1,120
Additions through business combination	-	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:

(In ₹ crore)

Particulars	As at	
	March 31, 2021	March 31, 2020
Current lease liabilities	738	619
Non-current lease liabilities	4,587	4,014
Total	**5,325**	**4,633**

The following is the movement in lease liabilities:

(In ₹ crore)

Particulars	Year ended March 31,	
	2021	2020
Balance at the beginning	**4,633**	**3,598**
Additions	1,494	1,241
Additions through business combination *(Refer to Note 2.1)*	-	224
Deletions	(168)	(145)
Finance cost accrued during the period	176	170
Payment of lease liabilities	(821)	(639)
Translation difference	11	184
Balance at the end	**5,325**	**4,633**

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

(In ₹ crore)

Particulars	As At	
	March 31, 2021	March 31, 2020
Less than one year	867	796
One to five years	3,011	2,599
More than five years	2,239	2,075
Total	**6,117**	**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 ₹82 crore and ₹89 crore for the year ended March 31, 2021 and March 31, 2020, respectively.

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:

(In ₹ crore)

Particulars	Year ended March 31,	
	2021	2020
Balance at the beginning	**433**	**430**
Additions	3	-
Interest income accrued during the period	14	15
Lease receipts	(49)	(46)
Translation difference	(13)	34
Balance at the end	**388**	**433**

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

(In ₹ crore)

Particulars	As At	
	March 31, 2021	March 31, 2020
Less than one year	51	50
One to five years	218	217
More than five years	179	244
Total	**448**	**511**

Leases not yet commenced to which Group is committed is ₹179 crore for a lease term ranging from 5 years to 10 years.

2.20 EMPLOYEE BENEFITS

Accounting policy

Gratuity and Pensions

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees majorly 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. The Company contributes Gratuity 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 operates defined benefit pension plan in certain overseas jurisdictions, in accordance with the local laws. These plans are managed by third party fund managers. The plans provide for periodic payouts after retirement or for a lumpsum payment as set out in rules of each fund and includes death and disability benefits.

Liabilities with regard to these defined benefit plans are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market risk.

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 net profit 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 of India. 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.

The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

2.20.1 Gratuity and Pension

The following tables set out the funded status majorly of the Indian gratuity plans and the amounts recognized in the Group's financial statements as at March 31, 2021 and March 31, 2020:

(In ₹ crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Change in benefit obligations		
Benefit obligations at the beginning	1,402	1,351
Service cost	207	178
Interest expense	84	90
Transfer of obligation	3	-
Remeasurements - Actuarial (gains) / losses	30	(79)
Benefits paid	(98)	(141)
Translation difference	(4)	3
Benefit obligations at the end	**1,624**	**1,402**
Change in plan assets		
Fair value of plan assets at the beginning	1,522	1,361
Interest income	92	97
Remeasurements- Return on plan assets excluding amounts included in interest income	11	9
Contributions	78	191
Benefits paid	(93)	(136)
Fair value of plan assets at the end	**1,610**	**1,522**
Funded status	(14)	120

Amount for the year ended March 31, 2021 and March 31, 2020 recognized in the Consolidated Statement of Profit and Loss under employee benefit expense:

(In ₹ crore)

Particulars	Year ended March 31,	
	2021	**2020**
Service cost	207	178
Net interest on the net defined benefit liability / (asset)	(8)	(7)
Net gratuity cost	**199**	**171**

Amount for the year ended March 31, 2021 and March 31, 2020 recognized in the Consolidated Statement of Other Comprehensive Income:

(In ₹ crore)

Particulars	Year ended March 31,	
	2021	**2020**
Remeasurements of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	30	(79)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(11)	(9)
	19	**(88)**

(In ₹ crore)

Particulars	Year ended March 31,	
	2021	**2020**
(Gain) / loss from change in demographic assumptions	-	1
(Gain) / loss from change in financial assumptions	14	(57)
(Gain) / loss from experience adjustment	16	(23)
	30	**(79)**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2021 and March 31, 2020 are set out below:

Particulars	As at	
	March 31, 2021	**March 31, 2020**
Discount rate (1)	6.1%	6.2%
Weighted average rate of increase in compensation levels (2)	6.0%	6.0%
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, 2021 and March 31, 2020 are set out below:

Particulars	Year ended March 31,	
	2021	**2020**
Discount rate	6.2%	7.1%
Weighted average rate of increase in compensation levels	6.0%	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 the 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, 2021**
Discount rate	78
Weighted average rate of increase in compensation levels	70

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.

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, 2021 and March 31, 2020, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the year ended March 31, 2021 and March 31, 2020 were ₹103 crore and ₹106 crore, respectively.

The Group expects to contribute ₹223 crore to the gratuity trusts during fiscal 2022.

The maturity profile of defined benefit obligation is as follows:

(In ₹ crore)

Within 1 year	246
1-2 year	246
2-3 year	255
3-4 year	273
4-5 year	282
5-10 years	1,352

The Group operates defined benefit pension plan in certain overseas jurisdictions, in accordance with local laws. As on March 31, 2021, the defined benefit obligation(DBO) is ₹814 crore, fair value of plan assets is ₹690 crore, resulting in recognition of a net DBO of ₹124 crore.

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. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by the Actuarial Society of India.

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, 2021 and March 31, 2020:

(In ₹ crore)

Particulars	**As at**	
	March 31, 2021	**March 31, 2020**
Change in benefit obligations		
Benefit obligations at the beginning	7,366	5,989
Service cost - employer contribution	423	407
Employee contribution	816	857
Interest expense	606	561
Actuarial (gains) / loss	(26)	216
Benefits paid	(898)	(664)
Benefit obligations at the end	**8,287**	**7,366**
Change in plan assets		
Fair value of plan assets at the beginning	7,117	5,989
Interest income	596	561
Remeasurements- Return on plan assets excluding amounts included in interest income	125	(33)
Contributions	1,200	1,264
Benefits paid	(898)	(664)
Fair value of plan assets at the end	**8,140**	**7,117**
Net liability	(147)	(249)

The amount for the year ended March 31, 2021 and March 31, 2020 recognized in the Consolidated Statement of Other Comprehensive Income:

(In ₹ crore)

Particulars	**Year ended March 31,**	
	2021	**2020**
Remeasurements of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	(26)	216
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset)	(125)	33
	(151)	**249**

The assumptions used in determining the present value obligation of the defined benefit plan under the Deterministic Approach are as follows:

Particulars	As at	
	March 31, 2021	**March 31, 2020**
Government of India (GOI) bond yield [1]	6.10%	6.20%
Expected rate of return on plan assets	8.00%	8.00%
Remaining term to maturity of portfolio	6 years	6 years
Expected guaranteed interest rate	8.50%	8.50%

[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, 2021 and March 31, 2020 are as follows:

Particulars	As at	
	March 31, 2021	**March 31, 2020**
Central and State government bonds	54%	49%
Public sector undertakings and Private sector bonds	40%	48%
Others	6%	3%

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

As at March 31, 2021 the defined benefit obligation would be affected by approximately ₹82 crore and ₹119 on account of a 0.25% increase / decrease in the expected rate of return on plan assets.

The Group contributed ₹665 crore and ₹639 crore to the provident fund during the year ended March 31, 2021 and March 31, 2020, respectively. The same has been recognized in the Consolidated Statement of Profit and Loss under the head employee benefit expense.

The provident plans are applicable only to employees drawing a salary in Indian rupees.

2.20.3 Superannuation

The Group contributed ₹260 crore and ₹240 crore during the year ended March 31, 2021 and March 31, 2020, 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,	
	2021	**2020**
Salaries and bonus[1]	54,274	49,837
Defined contribution plans	358	338
Defined benefit plans	909	712
	55,541	**50,887**

(1)Includes employee stock compensation expense of ₹333 crore and ₹249 crore for the year ended March 31, 2021 and March 31, 2020 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,**	
	2021	**2020**
Basic earnings per equity share - weighted average number of equity shares outstanding [(1)]	4,242,416,665	4,257,754,522
Effect of dilutive common equivalent shares - share options outstanding	8,315,802	7,389,706
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	**4,250,732,467**	**4,265,144,228**

[(1)] *Excludes treasury shares*

For the year ended March 31, 2021 and March 31, 2020, Nil and 13,093 number of options to purchase equity shares had an anti-dilutive effect, respectively.

2.22 CONTINGENT LIABILITIES AND COMMITMENTS

Accounting policy

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 recognized 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.

(In ₹ crore)

Particulars	**As at**	
	March 31, 2021	**March 31, 2020**
Contingent liabilities :		
Claims against the Group, not acknowledged as debts[(1)]	4,061	3,583
[Amount paid to statutory authorities ₹6,105 crore *(₹5,353 crore)*]		
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)[(2)]	733	1,365
Other commitments*	42	61

** Uncalled capital pertaining to investments*

[(1)] As at March 31, 2021, claims against the Group not acknowledged as debts in respect of income tax matters amounted to ₹3,462 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 ₹6,095 crore.

[(2)] Capital contracts primarily comprises of commitments for infrastructure facilities and computer equipments.

Legal Proceedings

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, 2021	March 31, 2020
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)[18]	Brazil	-	-
Infosys Nova Holdings LLC. (Infosys Nova)	U.S.	100%	100%
EdgeVerve Systems Limited (EdgeVerve)	India	100%	100%
Infosys Austria GmbH	Austria	100%	100%
Skava Systems Pvt. Ltd. (Skava Systems)[44]	India	100%	100%
Kallidus Inc, (Kallidus)[45]	U.S.	-	100%
Infosys Chile SpA	Chile	100%	100%
Infosys Arabia Limited[2]	Saudi Arabia	70%	70%
Infosys Consulting Ltda.[1]	Brazil	100%	100%
Infosys CIS LLC [1] [19]	Russia	-	-
Infosys Luxembourg S.a.r.l	Luxembourg	100%	100%
Infosys Americas Inc., (Infosys Americas)	U.S.	100%	100%
Infosys Technologies (Australia) Pty. Limited (Infosys Australia)[3]	Australia	-	-
Infosys Public Services, Inc. USA (Infosys Public Services)	U.S.	100%	100%
Infosys Canada Public Services Inc[48]	Canada	-	-
Infosys BPM Limited	India	99.99%	99.99%
Infosys (Czech Republic) Limited s.r.o.[4]	Czech Republic	99.99%	99.99%
Infosys Poland, Sp z.o.o[4]	Poland	99.99%	99.99%
Infosys McCamish Systems LLC[4]	U.S.	99.99%	99.99%
Portland Group Pty Ltd[4]	Australia	99.99%	99.99%
Infosys BPO Americas LLC.[4]	U.S.	99.99%	99.99%
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland	100%	100%
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. v likvidaci (formerly Infosys Consulting s.r.o.)[5][44]	Czech Republic	100%	100%
Infosys Consulting (Shanghai) Co., Ltd.[5][44]	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[24][32]	Poland	-	99.99%
Lodestone Management Consultants Portugal, Unipessoal, Lda.[5][37]	Portugal	-	100%
Infosys Consulting S.R.L.[5]	Argentina	100%	100%
Infosys Consulting (Belgium) NV[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][23]	Japan	-	-
Brilliant Basics Holdings Limited (Brilliant Basics)	U.K.	100%	100%
Brilliant Basics Limited[8]	U.K.	100%	100%
Brilliant Basics (MENA) DMCC[8][25]	Dubai	-	100%
Infosys Consulting Pte Limited (Infosys Singapore)[1]	Singapore	100%	100%
Infosys Middle East FZ LLC[9]	Dubai	100%	100%
Fluido Oy[9]	Finland	100%	100%
Fluido Sweden AB (Extero)[12]	Sweden	100%	100%
Fluido Norway A/S[12]	Norway	100%	100%
Fluido Denmark A/S[12]	Denmark	100%	100%
Fluido Slovakia s.r.o[12]	Slovakia	100%	100%
Fluido Newco AB[12][39]	Sweden	-	100%
Infosys Compaz Pte. Ltd [10]	Singapore	60%	60%
Infosys South Africa (Pty) Ltd[9]	South Africa	100%	100%
WongDoody Holding Company Inc. (WongDoody)[1]	U.S.	100%	100%
WDW Communications, Inc[11]	U.S.	100%	100%
WongDoody, Inc[11]	U.S.	100%	100%
HIPUS Co., Ltd (formerly Hitachi procurement Service Co. Ltd)[10][13]	Japan	81%	81%
Stater N.V.[10][14]	The Netherlands	75%	75%
Stater Nederland B.V.[15]	The Netherlands	75%	75%
Stater Duitsland B.V.[15][41]	The Netherlands	-	75%
Stater XXL B.V.[15]	The Netherlands	75%	75%
HypoCasso B.V.[15]	The Netherlands	75%	75%
Stater Participations B.V.[15]	The Netherlands	75%	75%
Stater Deutschland Verwaltungs-GmbH[16][40]	Germany	-	75%
Stater Deutschland GmbH & Co. KG[16][40]	Germany	-	75%
Stater Belgium N.V./S.A.[17][42]	Belgium	75%	53.99%

Outbox systems Inc. dba Simplus (US)[20]	U.S.	100%	100%
Simplus North America Inc.[21]	Canada	100%	100%
Simplus ANZ Pty Ltd.[21]	Australia	100%	100%
Simplus Australia Pty Ltd[22]	Australia	100%	100%
Sqware Peg Digital Pty Ltd[22]	Australia	100%	100%
Simplus Philippines, Inc.[21]	Philippines	100%	100%
Simplus Europe, Ltd.[21]	U.K.	100%	100%
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[12][26]	U.K.	100%	100%
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[12][26]	Ireland	100%	100%
Infosys Limited Bulgaria EOOD[1][27]	Bulgaria	100%	-
Kaleidoscope Animations, Inc.[30]	U.S.	100%	-
Kaleidoscope Prototyping LLC [31]	U.S.	100%	-
GuideVision s.r.o.[28]	Czech Republic	100%	-
GuideVision Deutschland GmbH[29]	Germany	100%	-
GuideVision Suomi Oy[29]	Finland	100%	-
GuideVision Magyarország Kft[29]	Hungary	100%	-
GuideVision Polska SP.Z.O.O[29]	Poland	100%	-
GuideVision UK Ltd[29]	U.K.	100%	-
Beringer Commerce Inc[33]	U.S.	100%	-
Beringer Capital Digital Group Inc[33]	U.S.	100%	-
Mediotype LLC[34]	U.S.	100%	-
Beringer Commerce Holdings LLC[34]	U.S.	100%	-
SureSource LLC[35]	U.S.	100%	-
Blue Acorn LLC[35]	U.S.	100%	-
Simply Commerce LLC[35]	U.S.	100%	-
iCiDIGITAL LLC[36]	U.S.	100%	-
Infosys BPM UK Limited[4][38]	U.K.	-	-
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi[1][43]	Turkey	-	-
Infosys Germany Holding Gmbh[1][46][47]	Germany	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 Limited
[5] Wholly-owned subsidiary of Infosys Consulting Holding AG
[6] Majority owned and controlled subsidiary of Infosys Consulting 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]Majority owned and controlled subsidiary of Infosys Consulting Pte. Ltd
[11] Wholly-owned subsidiary of WongDoody
[12]Wholly-owned subsidiary of Fluido Oy
[13]On April 1, 2019, Infosys Consulting Pte. Ltd, acquired 81% of the voting interests in HIPUS Co., Ltd (formerly Hitachi Procurement Service Co. Ltd)
[14]On May 23, 2019, Infosys Consulting Pte. Ltd, acquired 75% of the voting interests in Stater N.V
[15]Wholly-owned subsidiary of Stater N.V
[16]Wholly-owned subsidiary of Stater Duitsland B.V.
[17]Majority owned and controlled subsidiary of Stater Participations B.V.
[18]Effective October 1, 2019, merged into Infosys Consulting Ltda, a wholly owned subsidiary of Infosys Ltd.
[19]Liquidated effective January 28, 2021.
[20] On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.
[21] Wholly-owned subsidiary of Outbox Systems Inc.
[22] Wholly-owned subsidiary of Simplus ANZ Pty Ltd
[23] Liquidated effective October 31, 2019
[24] 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
[25] Liquidated effective July 17, 2020
[26] On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido UK,Ltd (formerly Simplus U.K., Ltd) and Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd) from Simplus Europe, Ltd
[27] Incorporated effective September 11, 2020.
[28] On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o
[29]Wholly-owned subsidiary of GuideVision s.r.o.
[30] On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.
[31] Wholly owned subsidiary of Kaleidoscope Animations, Inc.
[32] Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020
[33]On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Beringer Commerce Inc and Beringer Capital Digital Group Inc
[34]Wholly-owned subsidiary of Beringer Commerce Inc
[35]Wholly-owned subsidiary of Beringer Commerce Holdings LLC
[36]Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
[37] Liquidated effective November 19,2020
[38] Incorporated, effective December 9, 2020
[39] Merged into Fluido Sweden AB (Extero), effective December 18, 2020
[40] Merged into Stater Duitsland B.V., effective December 18, 2020
[41] Merged with Stater N.V., effective December 23, 2020

[42] On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA
[43] Incorporated on December 30, 2020.
[44] Under liquidation
[45] Liquidated effective March 9,2021
[46] Incorporated on March 23, 2021
[47] On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.
[48] Wholly-owned subsidiary of Infosys Public Services, Inc.

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 to Note 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

Kiran Mazumdar-Shaw

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

D.N. Prahlad (resigned as a member of the Board effective April 20, 2020)

D. Sundaram

Uri Levine (appointed as an independent director effective April 20, 2020)

Bobby Parikh (appointed as an independent director effective July 15, 2020)

Dr. Punita Kumar-Sinha (retired as member of the Board effective January 13, 2021)

Chitra Nayak (appointed as an independent director effective March 25, 2021)

Executive Officers

Nilanjan Roy, Chief Financial Officer

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

(In ₹ crore)

Particulars	Year ended March 31,	
	2021	2020
Salaries and other employee benefits to whole-time directors and executive officers (1)(2)	144	118
Commission and other benefits to non-executive/independent directors	6	8
Total	**150**	**126**

(1) Total employee stock compensation expense for the year ended March 31, 2021 and March 31, 2020 includes a charge of ₹76 crore and ₹56 crore respectively, towards key managerial personnel. (Refer to Note 2.11)

(2) 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.	84.46%	71,531	88.8%	18,048	108.5%	191	89.0%	18,239
Indian Subsidiaries								
Infosys BPM Limited	5.94%	5,030	3.42%	695	(5.68%)	(10)	3.34%	685
EdgeVerve Systems Limited	0.06%	51	3.23%	656	1.14%	2	3.21%	658
Skava Systems Pvt. Ltd.	0.09%	76	0.00%	1	0.00%	-	0.00%	1
Foreign Subsidiaries								
Brilliant Basics Holdings Limited	0.02%	13	0.00%	-	0.00%	-	0.00%	-
Brilliant Basics Limited	0.02%	13	0.02%	4	0.00%	-	0.02%	4
Brilliant Basics (MENA) DMCC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
iCiDIGITAL LLC	0.06%	47	0.01%	3	0.00%	-	0.01%	3
Blue Acorn LLC	0.03%	23	0.04%	9	0.00%	-	0.04%	9
Beringer Commerce Inc	0.52%	443	0.00%	-	0.00%	-	0.00%	-
Simply Commerce LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Beringer Capital Digital Group Inc	0.17%	145	0.00%	-	0.00%	-	0.00%	-
Beringer Commerce Holdings LLC	0.46%	391	0.00%	-	0.00%	-	0.00%	-
Mediotype LLC	0.03%	23	0.04%	9	0.00%	-	0.04%	9
SureSource LLC	(0.00%)	(3)	0.00%	-	0.00%	-	0.00%	-
Infosys BPO Americas LLC	0.01%	8	(0.18%)	(37)	0.00%	-	(0.18%)	(37)
Portland Group Pty Ltd	0.18%	149	0.06%	13	0.00%	-	0.06%	13
Fluido Denmark A/S	0.00%	3	0.01%	3	0.00%	-	0.01%	3
Fluido Oy	0.13%	108	0.14%	29	0.00%	-	0.14%	29
Fluido Newco AB	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Fluido Norway A/S	0.01%	9	0.01%	3	0.00%	-	0.01%	3
Fluido Slovakia s.r.o.	0.00%	4	0.00%	-	0.00%	-	0.00%	-
Fluido Sweden AB	(0.01%)	(7)	0.04%	9	0.00%	-	0.04%	9
Infosys Fluido Ireland, Ltd.	(0.00%)	(3)	(0.01%)	(2)	0.00%	-	(0.01%)	(2)
Infosys Fluido U.K., Ltd.	(0.00%)	(3)	(0.04%)	(8)	0.00%	-	(0.04%)	(8)
GuideVision s.r.o.	0.03%	26	0.04%	8	0.00%	-	0.04%	8
GuideVision Deutschland GmbH	(0.00%)	(3)	0.00%	-	0.00%	-	0.00%	-
GuideVision Suomi Oy	0.00%	-	0.00%	-	0.00%	-	0.00%	-
GuideVision Magyarország Kft	0.00%	4	(0.00%)	(1)	0.00%	-	(0.00%)	(1)
GuideVision Polska SP.Z.O.O	(0.01%)	(6)	(0.01%)	(2)	0.00%	-	(0.01%)	(2)
GuideVision UK Ltd	0.01%	5	0.00%	1	0.00%	-	0.00%	1
Infosys Germany Holding GmbH	0.00%	2	0.00%	-	0.00%	-	0.00%	-
Infosys Chile SpA	0.01%	9	0.02%	4	0.00%	-	0.02%	4
Infosys Americas Inc.,	0.00%	1	0.00%	-	0.00%	-	0.00%	-
Infosys Technologies (Australia) Pty. Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Infosys Austria GmbH	0.00%	2	0.00%	-	0.00%	-	0.00%	-
Infosys (Czech Republic) Limited s.r.o.	0.10%	82	0.02%	4	0.00%	-	0.02%	4
Infosys Tecnologia DO Brasil LTDA	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Infosys Limited Bulgaria	0.00%	1	(0.00%)	(1)	0.00%	-	(0.00%)	(1)
Infosys Technologies (China) Co. Limited	0.30%	251	0.24%	49	0.00%	-	0.24%	49
Infosys Technologies (Shanghai) Company Limited	0.68%	580	(0.30%)	(61)	0.00%	-	(0.30%)	(61)
HIPUS Co., Ltd.	0.09%	74	0.10%	21	0.00%	-	0.10%	21
Infosys Public Services, Inc. USA	0.76%	646	0.42%	85	0.00%	-	0.41%	85
Infosys Consulting S.R.L.	0.00%	3	(0.02%)	(4)	0.00%	-	(0.02%)	(4)
Infosys Management Consulting Pty Limited	0.04%	33	0.03%	7	0.00%	-	0.03%	7
Infosys Consulting (Belgium) NV	(0.02%)	(13)	0.03%	7	0.00%	-	0.03%	7
Infosys Consulting Ltda.	0.07%	61	(0.14%)	(28)	0.00%	-	(0.14%)	(28)
Infosys Consulting AG	0.14%	115	0.04%	9	0.00%	-	0.04%	9
Infosys Consulting (Shanghai) Co., Ltd.	0.00%	1	0.95%	192	0.00%	-	0.94%	192
Infosys Consulting s.r.o. v likvidaci	0.00%	2	0.00%	-	0.00%	-	0.00%	-
Infosys Consulting GmbH	0.05%	41	0.04%	8	0.00%	-	0.04%	8
Infosys Consulting SAS	0.02%	13	0.01%	3	0.00%	-	0.01%	3
Infy Consulting Company Ltd.	0.19%	159	0.08%	17	0.00%	-	0.08%	17
Infosys Consulting Holding AG	0.41%	348	(0.01%)	(2)	0.00%	-	(0.01%)	(2)
Infy Consulting B.V.	0.03%	28	0.06%	12	0.00%	-	0.06%	12
Infosys Consulting Sp. z.o.o.	0.00%	-	0.07%	15	0.00%	-	0.07%	15
Lodestone Management Consultants Portugal, Unipessoal, Lda.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
S.C. Infosys Consulting S.R.L.	0.05%	40	0.05%	11	0.00%	-	0.05%	11
Infosys Consulting Pte Limited	(0.84%)	(714)	(0.05%)	(10)	0.00%	-	(0.05%)	(10)

Infosys Luxembourg S.a.r.l.	0.00%	4	(0.06%)	(12)	0.00%	-	(0.06%)	(12)
Infosys Technologies S. de R. L. de C. V.	0.32%	272	0.20%	41	0.00%	-	0.20%	41
Infosys Nova Holdings LLC	3.25%	2,753	0.39%	79	0.00%	-	0.39%	79
Infosys Poland Sp Z.o.o.	0.68%	577	0.30%	60	0.00%	-	0.29%	60
Infosys South Africa (Pty) Ltd	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Infosys Arabia Limited	0.00%	3	0.00%	-	0.00%	-	0.00%	-
Infosys Technologies (Sweden) AB.	0.07%	57	0.11%	22	0.00%	-	0.11%	22
Infosys Compaz Pte. Ltd	0.26%	223	0.27%	55	0.00%	-	0.27%	55
Infosys Middle East FZ LLC	(0.02%)	(20)	(0.03%)	(7)	(3.98%)	(7)	(0.07%)	(14)
WDW Communications, Inc.	(0.25%)	(211)	(0.18%)	(37)	0.00%	-	(0.18%)	(37)
WongDoody Holding Company Inc.	0.04%	34	0.02%	5	0.00%	-	0.02%	5
WongDoody, Inc.	0.34%	289	0.18%	36	0.00%	-	0.18%	36
Kallidus Inc,	0.00%	-	(0.49%)	(100)	0.00%	-	(0.49%)	(100)
Kaleidoscope Animations	0.06%	48	0.05%	11	0.00%	-	0.05%	11
Kaleidoscope Prototyping	0.01%	6	0.02%	4	0.00%	-	0.02%	4
Panaya GmbH	(0.00%)	(1)	0.00%	-	0.00%	-	0.00%	-
Panaya Inc.	0.16%	135	0.01%	2	0.00%	-	0.01%	2
Panaya Ltd.	(0.76%)	(642)	(0.10%)	(21)	0.00%	-	(0.10%)	(21)
Panaya Japan Co. Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Infosys McCamish Systems LLC	0.67%	570	0.80%	162	0.00%	-	0.79%	162
Simplus Philippines, Inc.	0.01%	6	0.00%	1	0.00%	-	0.00%	1
Simplus Australia Pty Ltd	(0.03%)	(29)	(0.05%)	(11)	0.00%	-	(0.05%)	(11)
Outbox systems Inc. dba Simplus (US)	0.09%	78	(0.10%)	(20)	0.00%	-	(0.10%)	(20)
Stater Belgium N.V./S.A.	0.08%	71	(0.00%)	(1)	0.00%	-	(0.00%)	(1)
Stater Deutschland GmbH & Co. KG	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Stater Duitsland B.V.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Stater Deutschland Verwaltungs-GmbH	0.00%	-	0.00%	-	0.00%	-	0.00%	-
HypoCasso B.V.	0.03%	22	0.04%	8	0.00%	-	0.04%	8
Stater Nederland B.V.	0.36%	301	0.64%	129	0.00%	-	0.63%	129
Stater N.V.	0.65%	553	0.63%	128	0.00%	-	0.62%	128
Stater Participations B.V.	(0.30%)	(250)	0.00%	-	0.00%	-	0.00%	-
Stater XXL B.V.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Subtotal	**100.00%**	**84,691**	**100.00%**	**20,313**	**100.00%**	**176**	**100.00%**	**20,489**
Adjustment arising out of consolidation		(8,092)		(914)		130		(784)
Controlled Trusts		183		24		-		24
		76,782		19,423		306		19,729
Non-controlling Interests		(431)		(72)		(6)		(78)
Total		**76,351**		**19,351**		**300**		**19,651**

Proposed transfer of CSR assets

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), the Company intends to transfer its CSR capital assets created prior to January 2021 to a controlled subsidiary (referred to as " the Subsidiary") to be established in accordance with Section 8 of the Companies Act, 2013 for charitable objects. The transfer will be undertaken upon obtaining the required approvals from regulatory authorities.

The Subsidiary will be included in the consolidated financial statements of the Company commencing in the period from formation because the Company will have the power to direct all of the Subsidiary's relevant activities which affects returns and the Company will be exposed to any future financial support which may be required by the Subsidiary.

The Company evaluated the impact of the Rules on the carrying amount of the capital asset of ₹283 crore in the consolidated financial statements as at March 31, 2021, and concluded that the recoverable amount of capital asset, estimated based on future cash flows from continuing use of the capital asset is expected to exceed the carrying amount including in the period subsequent to the transfer to the Subsidiary.

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 onsite expenses, which are categorized in relation to the associated efforts of the segment. Certain expenses such as depreciation and amortization, 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, 2021 and *March 31, 2020* :

(In ₹ crore)

Particulars	Financial Services [1]	Retail [2]	Communication [3]	Energy, Utilities, Resources and Services	Manufacturing	Hi-Tech	Life Sciences [4]	All other segments [5]	Total
Revenue from operations	**32,583**	**14,745**	**12,628**	**12,539**	**9,447**	**8,560**	**6,870**	**3,100**	**100,472**
	28,625	*14,035*	*11,984*	*11,736*	*9,131*	*6,972*	*5,837*	*2,471*	*90,791*
Identifiable operating expenses	**17,612**	**6,937**	**7,349**	**6,500**	**4,996**	**4,804**	**3,516**	**1,919**	**53,633**
	14,977	*6,989*	*7,084*	*6,104*	*4,991*	*4,125*	*3,212*	*1,486*	*48,968*
Allocated expenses	**6,025**	**2,691**	**2,484**	**2,487**	**1,888**	**1,302**	**1,198**	**875**	**18,950**
	6,342	*2,834*	*2,476*	*2,416*	*2,081*	*1,243*	*1,194*	*921*	*19,507*
Segmental operating income	**8,946**	**5,117**	**2,795**	**3,552**	**2,563**	**2,454**	**2,156**	**306**	**27,889**
	7,306	*4,212*	*2,424*	*3,216*	*2,059*	*1,604*	*1,431*	*64*	*22,316*
Unallocable expenses									**3,267**
									2,942
Other income, net *(Refer to Note 2.17)*									**2,201**
									2,803
Finance cost									**195**
									170
Profit before tax									**26,628**
									22,007
Income tax expense									**7,205**
									5,368
Net Profit									**19,423**
									16,639
Depreciation and amortization expense									**3,267**
									2,893
Non-cash expenses other than depreciation and amortization									**-**
									49

[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

Significant clients

No client individually accounted for more than 10% of the revenues in the year ended March 31, 2021 and March 31, 2020.

2.25 FUNCTION WISE CLASSIFICATION OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(In ₹ crore)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	2.16	100,472	90,791
Cost of Sales		65,413	60,732
Gross profit		**35,059**	**30,059**
Operating expenses			
Selling and marketing expenses		4,627	4,711
General and administration expenses		5,810	5,974
Total operating expenses		10,437	10,685
Operating profit		**24,622**	**19,374**
Other income, net	2.17	2,201	2,803
Finance cost		195	170
Profit before tax		**26,628**	**22,007**
Tax expense:			
Current tax	2.15	6,672	5,775
Deferred tax	2.15	533	(407)
Profit for the period		**19,423**	**16,639**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset	2.20	134	(180)
Equity instruments through other comprehensive income, net	2.4	119	(33)
		253	**(213)**
Items that will be reclassified subsequently to profit or loss			
Fair value changes on derivatives designated as cash flow hedge, net	2.10	25	(36)
Exchange differences on translation of foreign operations, net		130	378
Fair value changes on investments, net	2.4	(102)	22
		53	**364**
Total other comprehensive income / (loss), net of tax		**306**	**151**
Total comprehensive income for the period		**19,729**	**16,790**
Profit attributable to:			
Owners of the Company		19,351	16,594
Non-controlling interests		72	45
		19,423	**16,639**
Total comprehensive income attributable to:			
Owners of the Company		19,651	16,732
Non-controlling interests		78	58
		19,729	**16,790**

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

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
April 14, 2021