

INFOSYS LIMITED

Standalone Financial Statements

under Indian Accounting Standards (Ind AS)

for the year ended March 31, 2021

<u>Index</u>	<u>Page No.</u>
Balance Sheet.....	1
Statement of Profit and Loss.....	2
Statement of Changes in Equity.....	3
Statement of Cash Flows.....	5
Overview and notes to the financial statements	
1. Overview	
1.1 Company overview	7
1.2 Basis of preparation of financial statements	7
1.3 Use of estimates and judgments.....	7
1.4 Critical accounting estimates	7
2. Notes to financial statements	
2.1 Property, plant and equipment.....	9
2.2 Goodwill and other intangible assets.....	11
2.3 Leases.....	12
2.4 Investments.....	14
2.5 Loans.....	20
2.6 Other financial assets.....	20
2.7 Trade Receivables	21
2.8 Cash and cash equivalents.....	21
2.9 Other assets.....	21
2.10 Financial instruments.....	22
2.11 Equity.....	28
2.12 Other financial liabilities.....	32
2.13 Trade payables.....	32
2.14 Other liabilities.....	32
2.15 Provisions.....	33
2.16 Income taxes.....	34
2.17 Revenue from operations.....	36
2.18 Other income, net.....	39
2.19 Expenses.....	40
2.20 Employee Benefits.....	41
2.21 Reconciliation of basic and diluted shares used in computing earning per share.....	45
2.22 Contingent liabilities and commitments.....	45
2.23 Related party transactions.....	46
2.24 Corporate social responsibility.....	53
2.25 Segment Reporting.....	53
2.26 Function-wise classification of statement of profit and loss.....	54

INFOSYS LIMITED
(In ₹ crore)

Balance Sheet as at	Note No.	March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	10,930	11,092
Right-of-use assets	2.3	3,435	2,805
Capital work-in-progress		906	945
Goodwill	2.2	167	29
Other intangible assets	2.2	67	48
Financial assets			
Investments	2.4	22,118	13,916
Loans	2.5	30	298
Other financial assets	2.6	613	613
Deferred tax assets (net)	2.16	955	1,429
Income tax assets (net)	2.16	5,287	4,773
Other non-current assets	2.9	1,149	1,273
Total non - current Assets		45,657	37,221
Current assets			
Financial assets			
Investments	2.4	2,037	4,006
Trade receivables	2.7	16,394	15,459
Cash and cash equivalents	2.8	17,612	13,562
Loans	2.5	229	307
Other financial assets	2.6	5,226	4,398
Other current assets	2.9	6,784	6,088
Total current assets		48,282	43,820
Total Assets		93,939	81,041
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	2,130	2,129
Other equity		69,401	60,105
Total equity		71,531	62,234
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.3	3,367	2,775
Other financial liabilities	2.12	259	49
Deferred tax liabilities (net)	2.16	511	556
Other non-current liabilities	2.14	649	207
Total non - current liabilities		4,786	3,587
Current liabilities			
Financial liabilities			
Trade payables	2.13		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,562	1,529
Lease liabilities	2.3	487	390
Other financial liabilities	2.12	8,359	7,936
Other current liabilities	2.14	4,816	3,557
Provisions	2.15	661	506
Income tax liabilities (net)	2.16	1,737	1,302
Total current liabilities		17,622	15,220
Total equity and liabilities		93,939	81,041

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration 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

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

Statement of Profit and Loss for the	Note No.	Year ended March 31,	
		2021	2020
Revenue from operations	2.17	85,912	79,047
Other income, net	2.18	2,467	2,700
Total income		88,379	81,747
Expenses			
Employee benefit expenses	2.19	45,179	42,434
Cost of technical sub-contractors		9,528	8,447
Travel expenses		484	2,241
Cost of software packages and others	2.19	2,058	1,656
Communication expenses		464	381
Consultancy and professional charges		999	1,066
Depreciation and amortization expense	2.1 & 2.2.2 & 2.3	2,321	2,144
Finance cost	2.3	126	114
Other expenses	2.19	2,743	2,787
Total expenses		63,902	61,270
Profit before tax		24,477	20,477
Tax expense:			
Current tax	2.16	6,013	5,235
Deferred tax	2.16	416	(301)
Profit for the year		18,048	15,543
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of the net defined benefit liability/asset, net	2.16 & 2.20	148	(184)
Equity instruments through other comprehensive income, net	2.4 & 2.16	120	(31)
<i>Items that will be reclassified subsequently to profit or loss</i>			
Fair value changes on derivatives designated as cash flow hedge, net	2.10 & 2.16	25	(36)
Fair value changes on investments, net	2.4 & 2.16	(102)	17
Total other comprehensive income/ (loss), net of tax		191	(234)
Total comprehensive income for the year		18,239	15,309
Earnings per equity share			
Equity shares of par value ₹5/- each			
Basic (₹)		42.37	36.34
Diluted (₹)		42.33	36.32
Weighted average equity shares used in computing earnings per equity share			
Basic	2.21	4,25,94,38,950	4,27,70,30,249
Diluted	2.21	4,26,30,92,514	4,27,98,08,826

The accompanying notes form an integral part of the standalone 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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Partner
Membership No. 039826

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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
Statement of Changes in Equity
(In ₹ crore)

Particulars	Equity Share Capital	Other Equity											Total equity attributable to equity holders of the Company	
		Reserves & Surplus					Other comprehensive income							
		Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve ⁽¹⁾	Capital reserve		Capital redemption reserve	Equity Instruments through other comprehensive income	Effective portion of Cash flow hedges	Other items of other comprehensive income / (loss)		
						Capital reserve	Other reserves ⁽²⁾							
Balance as at April 1, 2019	2,178	138	54,070	190	227	2,479	54	3,219	61		80	21	(6)	62,711
Impact on account of adoption of Ind AS 116* (Refer to Note 2.3)	-	-	(17)	-	-	-	-	-	-	-	-	-	-	(17)
	2,178	138	54,053	190	227	2,479	54	3,219	61		80	21	(6)	62,694
Changes in equity for the year ended March 31, 2020														
Profit for the year	-	-	15,543	-	-	-	-	-	-	-	-	-	-	15,543
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	-	-	-	-	-	-	(184)	(184)
Equity instruments through other comprehensive income* (Refer to Note 2.4 and 2.16)	-	-	-	-	-	-	-	-	-	-	(31)	-	-	(31)
Fair value changes on derivatives designated as cash flow hedge* (Refer to Note 2.10)	-	-	-	-	-	-	-	-	-	-	-	(36)	-	(36)
Fair value changes on investments, net* (Refer to Note 2.4 and 2.16)	-	-	-	-	-	-	-	-	-	-	-	-	17	17
Total comprehensive income for the year	-	-	15,543	-	-	-	-	-	-	-	(31)	(36)	(167)	15,309
Transfer to general reserve	-	-	(1,470)	1,470	-	-	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(2,464)	-	-	2,464	-	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	1,036	-	-	(1,036)	-	-	-	-	-	-	-	-
Amount transferred to capital redemption reserve upon buyback (Refer 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)	-	-	-	-	-	-	-	-	-
Shares issued on exercise of employee stock options (Refer to Note 2.11)	-	2	-	-	-	-	-	-	-	-	-	-	-	2
Effect of modification of equity settled share based payment awards to cash settled awards (Refer to Note 2.11)	-	-	(9)	-	(48)	-	-	-	-	-	-	-	-	(57)
Share based payment to employees (Refer to Note 2.11)	-	-	-	-	238	-	-	-	-	-	-	-	-	238
Reserves on common controlled transactions	-	-	-	-	-	-	-	(137)	-	-	-	-	-	(137)
Income tax benefit arising on exercise of stock options	-	9	-	-	-	-	-	-	-	-	-	-	-	9
Buyback of equity shares (Refer to Notes 2.11 and 2.12)	(49)	-	(4,717)	(1,494)	-	-	-	-	-	-	-	-	-	(6,260)
Transaction cost relating to buyback* (Refer to Note 2.11)	-	-	-	(11)	-	-	-	-	-	-	-	-	-	(11)
Dividends (including dividend distribution tax)	-	-	(9,553)	-	-	-	-	-	-	-	-	-	-	(9,553)
Balance as at March 31, 2020	2,129	268	52,419	106	297	3,907	54	3,082	111		49	(15)	(173)	62,234

INFOSYS LIMITED
Statement of Changes in Equity
(In ₹ crore)

Particulars	Equity Share Capital	Other Equity											Total equity attributable to equity holders of the Company	
		Reserves & Surplus					Other comprehensive income							
		Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve ⁽¹⁾	Capital reserve		Capital redemption reserve	Equity Instruments through other comprehensive income	Effective portion of Cash flow hedges	Other items of other comprehensive income / (loss)		
							Capital reserve	Other reserves ⁽²⁾						
Balance as at April 1, 2020	2,129	268	52,419	106	297	3,907	54	3,082	111		49	(15)	(173)	62,234
Changes in equity for the year ended March 31, 2021														
Profit for the year	-	-	18,048	-	-	-	-	-	-	-	-	-	-	18,048
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	-	-	-	-	-	-	148	148
Equity instruments through other comprehensive income* (Refer to Note 2.4 and 2.16)	-	-	-	-	-	-	-	-	-	-	120	-	-	120
Fair value changes on derivatives designated as cash flow hedge* (Refer to Note 2.10)	-	-	-	-	-	-	-	-	-	-	-	25	-	25
Fair value changes on investments, net* (Refer to Note 2.4 and 2.16)	-	-	-	-	-	-	-	-	-	-	-	-	(102)	(102)
Total comprehensive income for the year	-	-	18,048	-	-	-	-	-	-	-	120	25	46	18,239
Transfer to general reserve	-	-	(1,554)	1,554	-	-	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(3,204)	-	-	3,204	-	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	967	-	-	(967)	-	-	-	-	-	-	-	-
Transfer on account of exercise of stock options (Refer to Note 2.11)	-	260	-	-	(260)	-	-	-	-	-	-	-	-	-
Transfer on account of options not exercised	-	-	-	3	(3)	-	-	-	-	-	-	-	-	-
Shares issued on exercise of employee stock options (Refer to Note no. 2.11)	1	8	-	-	-	-	-	-	-	-	-	-	-	9
Effect of modification of share based payment awards	-	-	-	-	85	-	-	-	-	-	-	-	-	85
Employee stock compensation expense (Refer to note no. 2.11)	-	-	-	-	253	-	-	-	-	-	-	-	-	253
Income tax benefit arising on exercise of stock options	-	45	-	-	-	-	-	-	-	-	-	-	-	45
Reserves recorded upon business transfer under common control (Refer to Note 2.4.1)	-	-	-	-	-	-	-	(176)	-	-	-	-	-	(176)
Dividends	-	-	(9,158)	-	-	-	-	-	-	-	-	-	-	(9,158)
Balance as at March 31, 2021	2,130	581	57,518	1,663	372	6,144	54	2,906	111		169	10	(127)	71,531

*net of tax

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

⁽²⁾ Profit / loss on transfer of business between entities under common control taken to reserve.

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

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A.G.S. Manikantha

Company Secretary

Mumbai

April 14, 2021

Bengaluru

April 14, 2021

INFOSYS LIMITED

Statement of Cash Flows

Accounting Policy

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

(In ₹ crore)			
Particulars	Note No.	Year ended March 31,	
		2021	2020
Cash flow from operating activities:			
Profit for the year		18,048	15,543
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation, amortization and provision for impairment	2.1 & 2.2 & 2.3 & 2.24	2,604	2,144
Income tax expense	2.16	6,429	4,934
Impairment loss recognized / (reversed) under expected credit loss model		152	127
Finance cost	2.3	126	114
Interest and dividend income		(1,795)	(1,502)
Stock compensation expense		297	226
Other adjustments		(47)	(248)
Exchange differences on translation of assets and liabilities, net		(32)	17
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(1,414)	(3,621)
Loans, other financial assets and other assets		(684)	319
Trade payables	2.12	(5)	(75)
Other financial liabilities, other liabilities and provisions		2,284	1,475
Cash generated from operations		25,963	19,453
Income taxes paid		(6,061)	(3,881)
Net cash generated by operating activities		19,902	15,572
Cash flow from investing activities:			
Expenditure on property, plant and equipment and intangibles		(1,720)	(3,063)
Deposits placed with corporations		(183)	(112)
Loans to employees		-	(2)
Loan given to subsidiaries		(76)	(1,210)
Loan repaid by subsidiaries		328	444
Proceeds from redemption of debentures		623	286
Investment in subsidiaries		(1,530)	(1,338)
Payment towards business transfer		(237)	-
Proceeds from liquidation of a subsidiary		173	-
Payment of contingent consideration pertaining to acquisition		(125)	(6)
Redemption of escrow pertaining to buyback		-	257
Other receipts		49	46
Payments to acquire investments			
Preference, equity securities and others		-	(41)
Liquid mutual fund units and fixed maturity plan securities		(31,814)	(30,500)
Tax free bonds and Government bonds		(318)	(11)
Certificates of deposit		-	(876)
Non Convertible debentures		(3,398)	(733)
Government Securities		(7,346)	(1,561)
Others		(13)	(2)
Proceeds on sale of investments			
Preference and equity securities		73	-
Liquid mutual fund units and fixed maturity plan securities		32,996	30,332
Tax free bonds and Government bonds		-	12
Non-convertible debentures		944	1,788
Certificates of deposit		900	2,175
Commercial paper		-	500
Government Securities		2,704	1,673
Others		-	9
Interest received		1,340	1,817
Dividend received from subsidiary		321	-
Net cash (used in) / from investing activities		(6,309)	(116)

Cash flow from financing activities:			
Payment of lease liabilities	2.2	(420)	(364)
Buyback of equity shares including transaction cost		-	(7,478)
Shares issued on exercise of employee stock options		9	2
Payment of dividends (including dividend distribution tax)		(9,155)	(9,551)
Net cash used in financing activities		(9,566)	(17,391)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		23	(54)
Net increase / (decrease) in cash and cash equivalents		4,027	(1,935)
Cash and cash equivalents at the beginning of the period	2.7	13,562	15,551
Cash and cash equivalents at the end of the period		17,612	13,562
Supplementary information:			
Restricted cash balance	2.7	154	101

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

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Mumbai
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INFOSYS LIMITED

Notes to the Standalone 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.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Electronic city, Hosur Road, Bengaluru 560100, Karnataka, India. The company has its primary listings on the BSE Ltd. and National Stock Exchange of India Limited. The Company's American Depositary Shares (ADS) representing equity shares are listed on the New York Stock Exchange (NYSE).

The standalone 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 standalone financial statements are prepared in accordance with Indian Accounting Standard (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') and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As the year 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 Use of estimates and judgments

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note no. 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

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

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these standalone 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 Company 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 Company's financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

1.4 Critical accounting estimates and judgments

a. Revenue recognition

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

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

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

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

b. Income taxes

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

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer note no. 2.16 and note no. 2.22.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

c. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. (refer note no. 2.1)

d. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Infosys's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no material changes are required to lease period relating to the existing lease contracts. (Refer note no. 2.3)

e. Allowance for credit losses on receivables and unbilled revenue

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

2.1 PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

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

Building ⁽¹⁾	22-25 years
Plant and machinery ⁽¹⁾⁽²⁾	5 years
Office equipment	5 years
Computer equipment ⁽¹⁾	3-5 years
Furniture and fixtures ⁽¹⁾	5 years
Vehicles ⁽¹⁾	5 years
Leasehold improvements	Lower of useful life of the asset or lease term

⁽¹⁾ Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

⁽²⁾ Includes Solar plant with a useful life of 20 years

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Impairment

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

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

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2021 are as follows:

(In ₹ crore)

Particulars	Land-Freehold	Buildings ⁽¹⁾⁽²⁾	Plant and machinery ⁽²⁾	Office Equipment ⁽²⁾	Computer equipment ⁽²⁾	Furniture and fixtures ⁽²⁾	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2020	1,316	9,038	3,038	1,094	5,690	1,875	669	43	22,763
Additions	82	508	113	110	975	92	134	1	2,015
Additions through Business transfer (Refer note 2.3.1)	-	-	-	-	6	-	2	-	8
Deletions	(1)	-	(10)	(9)	(141)	(15)	(17)	-	(193)
Gross carrying value as at March 31, 2021	1,397	9,546	3,141	1,195	6,530	1,952	788	44	24,593
Accumulated depreciation as at April 1, 2020	-	(3,114)	(2,053)	(787)	(4,197)	(1,246)	(248)	(26)	(11,671)
Depreciation	-	(346)	(273)	(112)	(804)	(202)	(145)	(6)	(1,888)
Provision for Impairment (Refer note 2.24)	-	-	(283)	-	-	-	-	-	(283)
Accumulated depreciation on deletions	-	-	9	8	131	14	17	-	179
Accumulated depreciation as at March 31, 2021	-	(3,460)	(2,600)	(891)	(4,870)	(1,434)	(376)	(32)	(13,663)
Carrying value as at April 1, 2020	1,316	5,924	985	307	1,493	629	421	17	11,092
Carrying value as at March 31, 2021	1,397	6,086	541	304	1,660	518	412	12	10,930

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

(In ₹ crore)

Particulars	Land-Freehold	Land-Leasehold	Buildings ⁽¹⁾⁽²⁾	Plant and machinery ⁽²⁾	Office Equipment ⁽²⁾	Computer equipment ⁽²⁾	Furniture and fixtures ⁽²⁾	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2019	1,305	593	8,070	2,612	938	5,052	1,454	414	37	20,475
Additions	11	-	968	428	159	765	427	270	7	3,035
Reclassification on account of adoption of Ind AS 116 (Refer to note 2.3)	-	(593)	-	-	-	-	-	-	-	(593)
Deletions	-	-	-	(2)	(3)	(127)	(6)	(15)	(1)	(154)
Gross carrying value as at March 31, 2020	1,316	-	9,038	3,038	1,094	5,690	1,875	669	43	22,763
Accumulated depreciation as at April 1, 2019	-	(32)	(2,797)	(1,762)	(672)	(3,605)	(1,039)	(153)	(21)	(10,081)
Depreciation	-	-	(317)	(293)	(118)	(718)	(213)	(110)	(6)	(1,775)
Reclassification on account of adoption of Ind AS 116	-	32	-	-	-	-	-	-	-	32
Accumulated depreciation on deletions	-	-	-	2	3	126	6	15	1	153
Accumulated depreciation as at March 31, 2020	-	-	(3,114)	(2,053)	(787)	(4,197)	(1,246)	(248)	(26)	(11,671)
Carrying value as at April 1, 2019	1,305	561	5,273	850	266	1,447	415	261	16	10,394
Carrying value as at March 31, 2020	1,316	-	5,924	985	307	1,493	629	421	17	11,092

⁽¹⁾ Buildings include ₹250/- being the value of five shares of ₹50/- each in Mittal Towers Premises Co-operative Society Limited.

⁽²⁾ Includes certain assets provided on cancellable operating lease to subsidiaries.

The aggregate depreciation has been included under depreciation and amortization expense in the statement of Profit and Loss.

Tangible assets provided on operating lease to subsidiaries as at March 31, 2021 and March 31, 2020 are as follows:

(In ₹ crore)

Particulars	Cost	Accumulated depreciation	Net book value
Buildings	186	98	88
	186	91	95
Plant and machinery	30	30	-
	30	30	-
Furniture and fixtures	24	24	-
	24	24	-
Computer Equipment	3	3	-
	3	3	-
Office equipment	16	16	-
	16	16	-

(In ₹ crore)

Particulars	Year ended March 31,	
	2021	2020
Aggregate depreciation charged on above assets	7	11
Rental income from subsidiaries	53	58

2.2 GOODWILL AND OTHER INTANGIBLE ASSETS

2.2.1 Goodwill

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

Particulars	(In ₹ crore)	
	As at	
	March 31, 2021	March 31, 2020
Carrying value at the beginning	29	29
Goodwill on business transfer (Refer to note 2.4.1)	138	-
Translation differences	-	-
Carrying value at the end	167	29

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

Segment	(In ₹ crore)	
	As at	
	March 31, 2021	March 31, 2020
Financial services	55	10
Retail	26	5
Communication	22	4
Energy, Utilities, Resources and Services	22	3
Manufacturing	17	3
	142	25
Operating segments without significant goodwill	25	4
Total	167	29

2.2.2 Other Intangible Assets:

Accounting Policy

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

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

Particulars	(In ₹ crore)				
	Customer related	Software related	Trade name related	Others	Total
Gross carrying value as at April 1, 2020	113	-	26	26	165
Additions through business transfer	-	54	-	-	54
Deletions during the year	-	-	-	-	-
Gross carrying value as at March 31, 2021	113	54	26	26	219
Accumulated amortization as at April 1, 2020	(72)	-	(23)	(22)	(117)
Amortization expense	(16)	(12)	(3)	(4)	(35)
Accumulated amortization on deletions	-	-	-	-	-
Accumulated amortization as at March 31, 2021	(88)	(12)	(26)	(26)	(152)
Carrying value as at March 31, 2021	25	42	-	-	67
Carrying value as at April 1, 2020	41	-	3	4	48
Estimated Useful Life (in years)	7	2	5	5	
Estimated Remaining Useful Life (in years)	2	2	-	-	

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

Particulars	(In ₹ crore)			
	Customer related	Trade name related	Others	Total
Gross carrying value as at April 1, 2019	113	26	26	165
Transfer of Assets	-	-	-	-
Deletions during the year	-	-	-	-
Gross carrying value as at March 31, 2020	113	26	26	165
Accumulated amortization as at April 1, 2019	(56)	(18)	(17)	(91)
Transfer of Assets	-	-	-	-
Amortization expense	(16)	(5)	(5)	(26)
Accumulated amortization on deletions	-	-	-	-
Accumulated amortization as at March 31, 2020	(72)	(23)	(22)	(117)
Carrying value as at March 31, 2020	41	3	4	48
Carrying value as at April 1, 2019	57	8	9	74
Estimated Useful Life (in years)	7	5	5	
Estimated Remaining Useful Life (in years)	3	1	1	

Research and Development expense recognized in net profit in the statement of profit and loss for the year ended March 31, 2021 and March 31, 2020 is ₹508 crore and ₹458 crore, respectively.

2.3 LEASES

Accounting Policy

The Company as a lessee

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

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

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

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

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

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

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

The Company as a lessor

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

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

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

Transition

Effective April 1, 2019, the 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 ₹1,861 crore, 'Net investment in sublease' of ROU asset of ₹430 crore and a lease liability of ₹2,491 crore. The cumulative effect of applying the standard, amounting to ₹17 crore was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share.

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

Particulars	Category of ROU asset			(In ₹ crore)
	Land	Buildings	Computers	Total
Balance as at April 1, 2020	554	2,209	42	2,805
Additions*	7	1,010	92	1,109
Additions through Business transfer (Refer note 2.4.1)	-	8	-	8
Deletion	-	(89)	-	(89)
Depreciation	(5)	(372)	(21)	(398)
Balance as at March 31, 2021	556	2,766	113	3,435

*Net of lease incentives of ₹93 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:

Particulars	Category of ROU asset			(In ₹ crore)
	Land	Buildings	Computers	Total
Balance as at April 1, 2019	-	1,861	-	1,861
Reclassified on account of adoption of Ind AS 116 (refer to note 2.1)	561	-	-	561
Additions*	1	737	49	787
Deletions	(3)	(58)	-	(61)
Depreciation	(5)	(331)	(7)	(343)
Balance as at March 31, 2020	554	2,209	42	2,805

*Net of lease incentives of ₹101 crore related to lease of buildings

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2021 and March 31, 2020:

Particulars	As at		(In ₹ crore)
	March 31, 2021	March 31, 2020	
Current lease liabilities	487	390	
Non-current lease liabilities	3,367	2,775	
Total	3,854	3,165	

The movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020 is as follows :

Particulars	As at	
	March 31, 2021	March 31, 2020
Balance at the beginning	3,165	2,491
Additions	1,198	886
Additions through business combination	10	-
Finance cost accrued during the period	125	114
Deletions	(99)	(61)
Payment of lease liabilities	(536)	(418)
Translation Difference	(9)	153
Balance at the end	3,854	3,165

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 and March 31, 2020 on an undiscounted basis:

Particulars	As at		(In ₹ crore)
	March 31, 2021	March 31, 2020	
Less than one year	585	512	
One to five years	2,109	1,744	
More than five years	1,751	1,490	
Total	4,445	3,746	

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

Rental expense recorded for short-term leases was ₹24 crore and ₹37 crore for the year ended March 31, 2021 and March 31, 2020.

Rental income on assets given on operating lease to subsidiaries was ₹53 crore and ₹58 crore for the year ended March 31, 2021 and March 31, 2020.

The following is the movement in the net investment in sublease in ROU asset during the year ended March 31, 2021 and March 31, 2020:

Particulars	As at		(In ₹ crore)
	March 31, 2021	March 31, 2020	
Balance at the beginning of the period	433	430	
Interest income accrued during the period	14	15	
Lease receipts	(49)	(46)	
Translation Difference	(13)	34	
Balance at the end of the period	385	433	

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset as at March 31, 2021 and March 31, 2020 on an undiscounted basis:

Particulars	As at		(In ₹ crore)
	March 31, 2021	March 31, 2020	
Less than one year	50	50	
One to five years	216	217	
More than five years	179	244	
Total	445	511	

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

2.4 INVESTMENTS

(In ₹ crore)

Particulars	As at	
	March 31, 2021	March 31, 2020
Non-current investments		
Equity instruments of subsidiaries	8,933	7,553
Debentures of subsidiary	536	1,159
Redeemable Preference shares of subsidiary	1,318	1,318
Preference securities and equity instruments	167	103
Compulsorily convertible debentures	7	-
Others	42	30
Tax free bonds	2,131	1,825
Government bonds	13	13
Non-convertible debentures	3,669	1,251
Government Securities	5,302	664
Total non-current investments	22,118	13,916
Current investments		
Liquid mutual fund units	1,326	2,019
Certificates of deposit	-	886
Fixed maturity plans securities	-	428
Non-convertible debentures	711	673
Total current investments	2,037	4,006
Total carrying value	24,155	17,922

(In ₹ crore, except as otherwise stated)

Particulars	As at	
	March 31, 2021	March 31, 2020
Non-current investments		
Unquoted		
Investment carried at cost		
Investments in equity instruments of subsidiaries		
Infosys BPM Limited	660	660
3,38,23,444 (3,38,23,444) equity shares of ₹10/- each, fully paid up		
Infosys Technologies (China) Co. Limited	369	333
Infosys Technologies, S. de R.L. de C.V., Mexico	65	65
17,49,99,990 (17,49,99,990) equity shares of MXN 1 par value, fully paid up		
Infosys Technologies (Sweden) AB	76	76
1,000 (1,000) equity shares of SEK 100 par value, fully paid		
Infosys Technologies (Shanghai) Company Limited	900	900
Infosys Public Services, Inc.	99	99
3,50,00,000 (3,50,00,000) shares of USD 0.50 par value, fully paid		
Infosys Consulting Holding AG	1,323	1,323
23,350 (23,350) - Class A shares of CHF 1,000 each and		
26,460 (26,460) - Class B Shares of CHF 100 each, fully paid up		
Infosys Americas Inc.	1	1
10,000 (10,000) shares of USD 10 per share, fully paid up		
EdgeVerve Systems Limited	1,312	1,312
1,31,18,40,000 (1,31,18,40,000) equity shares of ₹10/- each, fully paid up		
Infosys Nova Holdings LLC ⁽¹⁾	2,637	1,335
Infosys Consulting Pte Ltd	10	10
1,09,90,000 (1,09,90,000) shares of SGD 1.00 par value, fully paid		
Brilliant Basics Holding Limited	59	59
1,346 (1,346) shares of GBP 0.005 each, fully paid up		
Infosys Arabia Limited	2	2
70 (70) shares		
Kallidus Inc.	-	150
Nil (10,21,35,416) shares		
Skava Systems Private Limited	59	59
25,000 (25,000) shares of ₹10/- each, fully paid up		
Panaya Inc.	582	582
2 (2) shares of USD 0.01 per share, fully paid up		
Infosys Chile SpA	7	7
100 (100) shares		
WongDoody Holding Company Inc	380	359
2,000 (2,000) shares		
Infosys Luxembourg S.a r.l.	17	4
20,000 (3,700) shares		
Infosys Austria GmBH (formerly known as Lodestone Management Consultants GmbH)	-	-
80,000 (80,000) shares of EUR 1 par value, fully paid up		
Infosys Consulting Brazil	337	183
27,50,71,070 (16,49,15,570) shares of BRL 1 per share, fully paid up		

Infosys Romania	34	34
99,183 (99,183) shares of RON 100 per share, fully paid up		
Infosys Bulgaria	2	-
4,58,000 (Nil) shares of BGN 1 per share, fully paid up		
Infosys Germany Holdings GmbH	2	-
25000 (Nil) shares EUR 1 per share, fully paid up		
Investment in Redeemable Preference shares of subsidiary		
Infosys Consulting Pte Ltd	1,318	1,318
24,92,00,000 (24,92,00,000) shares of SGD 1 per share, fully paid up		
	10,251	8,871
Investment carried at amortized cost		
Investment in debentures of subsidiary		
EdgeVerve Systems Limited		
5,36,00,000 (11,59,00,000) Unsecured redeemable, non-convertible debentures of ₹ 100/- each fully paid up	536	1,159
	536	1,159
Investments carried at fair value through profit or loss		
Compulsorily convertible debentures	7	-
Others ⁽²⁾	42	30
	49	30
Investment carried at fair value through other comprehensive income		
Preference securities	165	101
Equity instruments	2	2
	167	103
Quoted		
Investments carried at amortized cost		
Tax free bonds	2,131	1,825
Government bonds	13	13
	2,144	1,838
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	3,669	1,251
Government Securities	5,302	664
	8,971	1,915
Total non-current investments	22,118	13,916
Current investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	1,326	2,019
	1,326	2,019
Investments carried at fair value through other comprehensive income		
Certificates of deposit	-	886
	-	886
Quoted		
Investments carried at fair value through profit or loss		
Fixed maturity plans securities	-	428
	-	428
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	711	673
	711	673
Total current investments	2,037	4,006
Total investments	24,155	17,922
Aggregate amount of quoted investments	11,826	4,854
Market value of quoted investments (including interest accrued), current	713	1,101
Market value of quoted investments (including interest accrued), non current	11,507	4,048
Aggregate amount of unquoted investments	12,329	13,068
⁽¹⁾ Aggregate amount of impairment in value of investments	94	121
Reduction in the fair value of assets held for sale	854	854
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	-	469
Investments carried at cost	10,251	8,871
Investments carried at amortized cost	2,680	2,997
Investments carried at fair value through other comprehensive income	9,849	3,577
Investments carried at fair value through profit or loss	1,375	2,477

⁽²⁾ Uncalled capital commitments outstanding as of March 31, 2021 and March 31, 2020 was ₹10 crore and ₹15 crore, respectively.

Refer note no. 2.10 for accounting policies on financial instruments.

Details of amounts recorded in other comprehensive income:
(In ₹ crore)

	Year ended			Year ended		
	March 31, 2021			March 31, 2020		
	Gross	Tax	Net	Gross	Tax	Net
Net Gain/(loss) on						
Non-convertible debentures	(5)	1	(4)	23	(3)	20
Government Securities	(114)	17	(97)	-	-	-
Certificate of deposits	(1)	-	(1)	(5)	2	(3)
Equity and preference securities	136	(16)	120	(29)	(2)	(31)

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	1,326	2,019
Fixed maturity plan securities	Market observable inputs	-	428
Tax free bonds and government bonds	Quoted price and market observable inputs	2,527	2,135
Non-convertible debentures	Quoted price and market observable inputs	4,380	1,924
Government Securities	Quoted price	5,302	664
Certificate of deposits	Market observable inputs	-	886
Unquoted equity and preference securities	Discounted cash flows method, Market multiples method, Option pricing model	167	103
Unquoted compulsorily convertible debentures	Discounted cash flows method	7	-
Others	Discounted cash flows method, Market multiples method, Option pricing model	42	30

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

2.4.1 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.

Accordingly 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, the resultant impact on account of business transfer was recorded in 'Business Transfer Adjustment Reserve' during the year ended March 31, 2021.

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.

The table below details out the assets and liabilities taken over upon business transfer:

(In ₹ crore)

Particulars	Skava Systems		Total
	Kallidus Inc.	Private Limited	
Goodwill	89	49	138
Intangible assets	54	-	54
Deferred tax assets/ (liabilities)	(14)	1	(13)
Net assets / (liabilities), others	(152)	34	(118)
Total	(23)	84	61
Less: Consideration payable	171	66	237
Business transfer reserve	(194)	18	(176)

2.4.3 Details of Investments

The details of non-current other investments in preferred stock and equity instruments as at March 31, 2021 and March 31, 2020 are as follows:

(In ₹ crore, except as otherwise stated)

Particulars	As at	
	March 31, 2021	March 31, 2020
<u>Preference Securities</u>		
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		
Ideaforge Technology Private Limited	11	9
5,402 (5,402) Series A compulsorily convertible cumulative Preference shares of ₹10/- each, fully paid up		
<u>Equity Instrument</u>		
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	2
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		
<u>Compulsorily convertible debentures</u>		
Ideaforge Technology Private Limited	7	-
3,886 (Nil) compulsorily convertible debentures, fully paid up, par value ₹19,300/- each		
<u>Others</u>		
Stellaris Venture Partners India	42	30
	216	133

2.4.4 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 is as follows:

(In ₹ crore, except as otherwise stated)

Particulars	Face Value ₹	March 31, 2021		March 31, 2020	
		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 is as follows:

(In ₹ crore, except as otherwise stated)

Particulars	Face Value PHP	March 31, 2021		March 31, 2020	
		Units	Amount	Units	Amount
Treasury Notes Philippines Govt. 04DEC2022	10,000	9,000	13	9,000	13
Total investments in government bonds		9,000	13	9,000	13

2.4.5 Details of investments in liquid mutual fund units and fixed maturity plan securities

The balances held in liquid mutual fund as at March 31, 2021 and March 31, 2020 is as follows:

(In ₹ crore, except as otherwise stated)

Particulars	March 31, 2021		March 31, 2020	
	Units	Amount	Units	Amount
Aditya Birla Sun life Corporate Bond Fund - Growth - Direct Plan	-	-	26,697,315	211
Aditya Birla Sun Life Overnight Fund- Growth - Direct Plan	764,116	85	-	-
Axis Liquid Fund - Growth Option - Direct Plan	899,316	206	-	-
Axis Treasury Advantage Fund - Growth	-	-	865,146	201
HDFC Liquid Fund - Direct Plan - Growth Option	-	-	555,555	217
HDFC Overnight Fund Direct Plan - Growth Option	327,018	100	1,010,508	300
ICICI Prudential Liquid Fund - Direct Plan - Growth	-	-	7,726,245	227
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 - Direct Plan - Growth	402,284	100	-	-
Kotak Liquid Fund - Direct Plan - Growth	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 Plan - Growth	551,036	155	-	-
Total investments in liquid mutual fund units	18,330,764	1,326	127,706,159	2,019

The balances held in fixed maturity plan security as at March 31, 2021 and March 31, 2020 is as follows:

(In ₹ crore, except as otherwise stated)

Particulars	March 31, 2021		March 31, 2020	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Fixed Term Plan - Series OD 1145 Days - GR Direct	-	-	5,00,00,000	62
Aditya Birla Sun Life Fixed Term Plan - Series OE 1153 days - GR Direct	-	-	2,50,00,000	31
HDFC FMP 1155D Feb 2017 - Direct Growth - Series 37	-	-	2,80,00,000	35
HDFC FMP 1169D Feb 2017- Direct- Quarterly Dividend - Series 37	-	-	4,50,00,000	45
ICICI FMP Series 80-1194 D Plan F Div	-	-	4,00,00,000	50
ICICI Prudential Fixed Maturity Plan Series 80-1187 Days Plan G Direct Plan	-	-	4,20,00,000	52
ICICI Prudential Fixed Maturity Plan Series 80-1253 Days Plan J Direct Plan	-	-	3,00,00,000	37
IDFC Fixed Term Plan Series 129 Direct Plan-Growth 1147 Days	-	-	1,00,00,000	12
IDFC Fixed Term Plan Series 131 Direct Plan-Growth 1139 Days	-	-	1,50,00,000	19
Kotak FMP Series 199 Direct - Growth	-	-	3,50,00,000	43
Nippon India Fixed Horizon Fund-XXXII Series 8 - Dividend Plan	-	-	3,50,00,000	42
Total investments in fixed maturity plan securities	-	-	35,50,00,000	428

2.4.6 Details of investments in non convertible debentures, government securities, certificates of deposit and commercial paper

The balances held in non convertible debenture units as at March 31, 2021 and March 31, 2020 is as follows:

(in ₹ crore, except as otherwise stated)

Particulars	Face Value ₹	March 31, 2021		March 31, 2020	
		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	4,000	400	-	-
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 Ltd 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	1,750	184	-	-
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	-	-
7.59% 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	2,200	244	2,200	241
8.60% LIC Housing Finance Ltd 29JUL2020	10,00,000	-	-	1,400	149
8.75% LIC Housing Finance Ltd 21DEC2020	10,00,000	-	-	1,000	101
9.05% Housing Development Finance Corporation Ltd 20NOV2023	10,00,000	250	28	-	-
Total investments in non-convertible debentures		42,300	4,380	17,850	1,924

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	Face Value ₹	March 31, 2021		March 31, 2020	
		Units	Amount	Units	Amount
5.79% Government of India 11MAY2030	10,000	410,000	402	-	-
6.45% Government of India 07OCT2029	10,000	1,700,000	1760	-	-
7.17% Government of India 8JAN2028	10,000	-	-	125,000	132
7.26% Government of India 14JAN2029	10,000	1,350,000	1439	500,000	532
7.57% Government of India 17JUN2033	10,000	950,000	1039	-	-
7.88% Government of India 19MAR2030	10,000	250,000	273	-	-
8.08% Government of India 02AUG2022	10,000	50,000	53	-	-
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		5,010,000	5,302	625,000	664

The balances held in certificate of deposits as at March 31, 2021 and March 31, 2020 is as follows:

(in ₹ crore, except as otherwise stated)

Particulars	Face Value ₹	March 31, 2021		March 31, 2020	
		Units	Amount	Units	Amount
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		-	-	90,000	886

2.5 LOANS

Particulars	(In ₹ crore)	
	As at	
	March 31, 2021	March 31, 2020
Non- Current		
Loan receivables considered good - Unsecured		
Loans to subsidiaries	-	277
Other Loans		
Loans to employees	30	21
	30	298
Unsecured, considered doubtful		
Other Loans		
Loans to employees	23	24
	53	322
Less: Allowance for doubtful loans to employees	23	24
Total non - current loans	30	298
Current		
Loan receivables considered good - Unsecured		
Loans to subsidiaries	96	103
Other Loans		
Loans to employees	133	204
Total current loans	229	307
Total Loans	259	605

2.6 OTHER FINANCIAL ASSETS

Particulars	(In ₹ crore)	
	As at	
	March 31, 2021	March 31, 2020
Non-current		
Security deposits ⁽¹⁾	45	46
Net investment in Sublease of right of use asset ⁽¹⁾	348	398
Rental deposits ⁽¹⁾	164	169
Unbilled revenues ^{(1)(5)#}	11	-
Others ⁽¹⁾	45	-
Total non-current other financial assets	613	613
Current		
Security deposits ⁽¹⁾	1	1
Rental deposits ⁽¹⁾	10	4
Restricted deposits ^{(1)*}	1,826	1,643
Unbilled revenues ^{(1)(5)#}	2,139	1,973
Interest accrued but not due ⁽¹⁾	553	441
Foreign currency forward and options contracts ⁽²⁾⁽³⁾	178	19
Net investment in Sublease of right of use asset ⁽¹⁾	37	35
Others ⁽¹⁾⁽⁴⁾	482	282
Total current other financial assets	5,226	4,398
Total other financial assets	5,839	5,011
⁽¹⁾ Financial assets carried at amortized cost	5,661	4,992
⁽²⁾ Financial assets carried at fair value through other comprehensive income	25	9
⁽³⁾ Financial assets carried at fair value through Profit or Loss	153	10
⁽⁴⁾ Includes dues from subsidiaries	182	65
⁽⁵⁾ Includes dues from subsidiaries	82	84

* Restricted deposits represent deposit with financial institutions to settle employee related obligations as and when they arise during the normal course of business.

Classified as financial asset as right to consideration is unconditional and is due only after a passage of time.

2.7 TRADE RECEIVABLES

(In ₹ crore)

Particulars	As at	
	March 31, 2021	March 31, 2020
Current		
Unsecured		
Considered good ⁽²⁾	16,394	15,459
Considered doubtful	543	491
	16,937	15,950
Less: Allowances for credit losses	543	491
Total trade receivables⁽¹⁾	16,394	15,459
⁽¹⁾ Includes dues from companies where directors are interested	-	-
⁽²⁾ Includes dues from subsidiaries	203	408

2.8 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at	
	March 31, 2021	March 31, 2020
Balances with banks		
In current and deposit accounts	13,792	8,048
Cash on hand	-	-
Others		
Deposits with financial institutions	3,820	5,514
Total Cash and cash equivalents	17,612	13,562
Balances with banks in unpaid dividend accounts	33	30
Deposit with more than 12 months maturity	11,948	6,171
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 ₹154 crore and ₹101 crore, respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

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

2.9 OTHER ASSETS

(In ₹ crore)

Particulars	As at	
	March 31, 2021	March 31, 2020
Non-current		
Capital advances	141	310
Advances other than capital advance		
Others		
Prepaid expenses	64	51
Defined benefit assets	9	143
Deferred contract cost	73	10
Unbilled revenues ⁽²⁾	175	-
Withholding taxes and others	687	759
Total non-current other assets	1,149	1,273
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	131	129
Others		
Prepaid expenses ⁽¹⁾	874	736
Unbilled revenues ⁽²⁾	3,904	3,856
Deferred contract cost	40	11
Withholding taxes and others	1,832	1,356
Other receivables	3	-
Total current other assets	6,784	6,088
Total other assets	7,933	7,361
⁽¹⁾ Includes dues from subsidiaries	237	168
⁽²⁾ Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.		

Withholding taxes and others primarily consist of input tax credits and Cenvat recoverable from Government of India.

2.10 FINANCIAL INSTRUMENTS

Accounting Policy

2.10.1 Initial recognition

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

2.10.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income (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 Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

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

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

(iv) Financial liabilities

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

(v) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

b. Derivative financial instruments

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

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

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

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

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

(ii) Cash flow hedge

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

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

2.10.3 Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.10.4 Fair value of financial instruments

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

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

2.10.5 Impairment

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

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 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 Note no. 2.8)	17,612	-	-	-	-	17,612	17,612
Investments (Refer note no.2.4)							
Preference securities, Equity instruments and others	-	-	42	167	-	209	209
Compulsorily convertible debentures	-	-	7	-	-	7	7
Tax free bonds and government bonds	2,144	-	-	-	-	2,144	2,527 ⁽²⁾
Liquid mutual fund units	-	-	1,326	-	-	1,326	1,326
Redeemable, non-convertible debentures ⁽¹⁾	536	-	-	-	-	536	536
Non convertible debentures	-	-	-	-	4,380	4,380	4,380
Government Securities	-	-	-	-	5,302	5,302	5,302
Trade receivables (Refer Note no. 2.7)	16,394	-	-	-	-	16,394	16,394
Loans (Refer note no. 2.5)	259	-	-	-	-	259	259
Other financial assets (Refer Note no. 2.6) ⁽⁴⁾	5,661	-	153	-	25	5,839	5,747 ⁽³⁾
Total	42,606	-	1,528	167	9,707	54,008	54,299
Liabilities:							
Trade payables (Refer Note no. 2.13)	1,562	-	-	-	-	1,562	1,562
Lease liabilities (Refer Note no. 2.3)	3,854	-	-	-	-	3,854	3,854
Other financial liabilities (Refer Note no. 2.12)	6,873	-	14	-	-	6,887	6,887
Total	12,289	-	14	-	-	12,303	12,303

⁽¹⁾ The carrying value of debentures approximates fair value as the instruments are at prevailing market rates

⁽²⁾ On account of fair value changes including interest accrued

⁽³⁾ Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹92 crore

⁽⁴⁾ Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones

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

							(In ₹ crore)
Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note no. 2.8)	13,562	-	-	-	-	13,562	13,562
Investments (Refer Note no. 2.4)							
Preference securities, Equity instruments and others	-	-	30	103	-	133	133
Tax free bonds and government bonds	1,838	-	-	-	-	1,838	2,135
Liquid mutual fund units	-	-	2,019	-	-	2,019	2,019
Redeemable, non-convertible debentures ⁽¹⁾	1,159	-	-	-	-	1,159	1,159
Fixed maturity plan securities	-	-	428	-	-	428	428
Certificates of deposit	-	-	-	-	886	886	886
Government Securities	-	-	-	-	664	664	664
Non convertible debentures	-	-	-	-	1,924	1,924	1,924
Trade receivables (Refer Note no. 2.7)	15,459	-	-	-	-	15,459	15,459
Loans (Refer note no. 2.5)	605	-	-	-	-	605	605
Other financial assets (Refer Note no. 2.6) ⁽⁴⁾	4,992	-	10	-	9	5,011	4,929
Total	37,615	-	2,487	103	3,483	43,688	43,903
Liabilities:							
Trade payables (Refer note no. 2.13)	1,529	-	-	-	-	1,529	1,529
Lease Liabilities (Refer note no. 2.3)	3,165	-	-	-	-	3,165	3,165
Other financial liabilities (Refer Note no. 2.12)	5,844	-	592	-	20	6,456	6,456
Total	10,538	-	592	-	20	11,150	11,150

⁽¹⁾ The carrying value of debentures approximates fair value as the instruments are at prevailing market rates

⁽²⁾ On account of fair value changes including interest accrued

⁽³⁾ Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹82 crore

⁽⁴⁾ Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones

Fair value hierarchy

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

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

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

The fair value hierarchy of assets and liabilities as at March 31, 2021 is as follows:

Particulars	March 31, 2021	(In ₹ crore)		
		Fair value measurement at end of the year using		
		Level 1	Level 2	Level 3
Assets				
Investments in tax free bonds (Refer note no. 2.4)	2,513	1,352	1,161	-
Investments in government bonds (Refer note no. 2.4)	14	14	-	-
Investments in liquid mutual fund units (Refer note no. 2.4)	1,326	1,326	-	-
Investments in non convertible debentures (Refer note no. 2.4)	4,380	4,085	295	-
Investments in government securities (Refer note no. 2.4)	5,302	5,302	-	-
Investments in equity instruments (Refer note no. 2.4)	2	-	-	2
Investments in preference securities (Refer note no. 2.4)	165	-	-	165
Investments in Compulsorily convertible debentures (Refer note no. 2.4)	7	-	-	7
Other investments (Refer note no. 2.4)	42	-	-	42
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts (Refer note no. 2.6)	178	-	178	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts (Refer note no. 2.12)	9	-	9	-
Liability towards contingent consideration (Refer note no. 2.12) ⁽¹⁾	5	-	-	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 ₹1,177 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

The fair value hierarchy of assets and liabilities as at March 31, 2020 was as follows:

Particulars	March 31, 2020	(In ₹ crore)		
		Fair value measurement at end of the year using		
		Level 1	Level 2	Level 3
Assets				
Investments in government securities (Refer Note no. 2.4)	664	664	-	-
Investments in tax free bonds (Refer Note no. 2.4)	2,122	1,960	162	-
Investments in liquid mutual fund units (Refer Note no. 2.4)	2,019	2,019	-	-
Investments in government bonds (Refer Note no. 2.4)	13	13	-	-
Investments in fixed maturity plan securities (Refer Note no. 2.4)	428	-	428	-
Investments in certificates of deposit (Refer Note no. 2.4)	886	-	886	-
Investments in non convertible debentures (Refer Note no. 2.4)	1,924	1,558	366	-
Investments in equity instruments (Refer Note no. 2.4)	2	-	-	2
Investments in preference securities (Refer Note no. 2.4)	101	-	-	101
Other investments (Refer Note no. 2.4)	30	-	-	30
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts (Refer Note no. 2.6)	19	-	19	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts (Refer note 2.12)	461	-	461	-
Liability towards contingent consideration (Refer note no. 2.12) ⁽¹⁾	151	-	-	151

⁽¹⁾ Discount rate pertaining to contingent consideration is 14%

During the year ended March 31, 2020, tax free bonds and non-convertible debentures of ₹518 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on Quoted price, and tax free bonds of ₹50 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

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

Majority of investments of the Company are fair valued based on Level 1 or Level 2 inputs. These investments primarily include investment in liquid mutual fund units, fixed maturity plan securities, certificates of deposit, commercial papers, quoted bonds issued by government and quasi-government organizations and non-convertible debentures.

Financial risk management**Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no realistic prospect of recovery.

Market risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in the United States and elsewhere, and purchases from overseas suppliers in various foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/depreciates against these currencies.

The following table analyses the foreign currency risk from financial assets and liabilities as at March 31, 2021:

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	(In ₹ crore)
						Total
Net financial assets	13,782	2,855	1,153	1,182	1,280	20,252
Net financial liabilities	(5,959)	(1,058)	(643)	(787)	(492)	(8,939)
Total	7,823	1,797	510	395	788	11,313

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

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	(In ₹ crore)
						Total
Net financial assets	13,217	2,523	1,205	785	1,340	19,070
Net financial liabilities	(5,337)	(942)	(673)	(310)	(512)	(7,774)
Total	7,880	1,581	532	475	828	11,296

Sensitivity analysis between Indian Rupee and USD

Particulars	Year ended March 31,	
	2021	2020
Impact on the Company's incremental Operating Margins	0.49%	0.47%

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The details in respect of outstanding foreign currency forward and option contracts are as follows :

Particulars	As at		As at	
	March 31, 2021		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 Canadian dollars	33	194	21	117
In Chinese Yuan	66	73	-	-
In Euro	151	1,295	171	1,415
In New Zealand dollars	16	82	16	72
In Norwegian Krone	25	21	40	29
In Singapore dollars	21	116	80	425
In Swedish Krona	-	-	50	37
In Swiss Franc	26	204	-	-
In Phillipine Peso	800	121	-	-
In U.S. dollars	1,012	7,392	925	6,990
In United Kingdom Pound Sterling	15	151	45	421
Option Contracts				
In Euro	65	557	-	-
In U.S. dollars	403	2,946	555	4,196
Total forwards and option contracts		15,432		15,398

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:

Particulars	As at		As at	
	March 31, 2021		March 31, 2020	
Not later than one month		5,028		4,796
Later than one month and not later than three months		6,698		7,396
Later than three months and not later than one year		3,706		3,206
		15,432		15,398

During the year ended March 31, 2021 and March 31, 2020 the Company has designated certain foreign exchange forward and option contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve as at March 31, 2021 are expected to occur and reclassified to statement of profit and loss within 3 months.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of its forecasted cash flows. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the Statement of Profit or Loss at the time of the hedge relationship rebalancing.

The following table provides the reconciliation of cash flow hedge reserve for the year ended March 31, 2021 and March 31, 2020:

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

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The quantitative information about offsetting of derivative financial assets and derivative financial liabilities is as follows:

Particulars	(In ₹ crore)			
	As at		As at	
	March 31, 2021		March 31, 2020	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset / liability	190	(21)	43	(485)
Amount set off	(12)	12	(24)	24
Net amount presented in Balance Sheet	178	(9)	19	(461)

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 ₹16,394 crore and ₹15,459 crore as at March 31, 2021 and March 31, 2020, respectively and unbilled revenue amounting to ₹6,229 crore and ₹5,829 crore as at March 31, 2021 and March 31, 2020, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue from customers primarily located in the United States of Americas. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the customers to which the Company grants credit terms in the normal course of business. The Company uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. This matrix takes into account credit reports and other related credit information to the extent available.

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and there is no single customer contributing more than 10% of outstanding trade receivables and unbilled revenues.

The details in respect of percentage of revenues generated from top customer and top 10 customers are as follows:

Particulars	(In %)	
	Year ended March 31,	
	2021	2020
Revenue from top customer	3.6	3.5
Revenue from top 10 customers	19.6	20.6

Credit risk exposure

The Company's credit period generally ranges from 30-75 days.

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2021 and March 31, 2020 is ₹146 crore and ₹127 crore, respectively.

Movement in credit loss allowance:

Particulars	(In ₹ crore)	
	Year ended March 31,	
	2021	2020
Balance at the beginning	580	521
Impairment loss recognized/ (reversed)	146	127
Amounts written off	(106)	(89)
Translation differences	(5)	21
Balance at the end	615	580

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no realistic prospect of recovery.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high ratings assigned by international and domestic credit rating agencies. Ratings are monitored periodically and the Company has considered the latest available credit ratings as at the date of approval of these financial statements.

Majority of investments of the Company are fair valued based on Level 1 or Level 2 inputs. These investments primarily include investment in liquid mutual fund units, fixed maturity plan securities, certificates of deposit, commercial papers, quoted bonds issued by government and quasi-government organizations and non convertible debentures. The Company invests after considering counterparty risks based on multiple criteria including Tier I capital, Capital Adequacy Ratio, Credit Rating, Profitability, NPA levels and deposit base of banks and financial institutions. These risks are monitored regularly as per its risk management program.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding borrowings. The Company believes that the working capital is sufficient to meet its current requirements.

As at March 31, 2021, the Company had a working capital of ₹30,660 crore including cash and cash equivalents of ₹17,612 crore and current investments of ₹2,037 crore. As at March 31, 2020, the Company had a working capital of ₹28,600 crore including cash and cash equivalents of ₹13,562 crore and current investments of ₹4,006 crore.

As at March 31, 2021 and March 31, 2020, the outstanding compensated absences were ₹1,731 crore and ₹1,529 crore, respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 are as follows:

Particulars	(In ₹ crore)				
	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	1,562	-	-	-	1,562
Other financial liabilities (excluding liability towards contingent consideration) (Refer Note no. 2.12)	6,705	98	52	18	6,873
Liability towards contingent consideration on an undiscounted basis (Refer Note no. 2.12)	5	-	-	-	5

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2020 were as follows:

Particulars	(In ₹ crore)				
	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	1,529	-	-	-	1,529
Other financial liabilities (excluding liability towards contingent consideration) (Refer Note no. 2.12)	5,827	12	5	-	5,844
Liability towards contingent consideration on an undiscounted basis (Refer Note no. 2.12)	152	-	-	-	152

2.11 EQUITY

Accounting policy

Ordinary Shares

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

Description of reserves

Retained earnings

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

Securities premium

The amount received in excess of the par value of equity shares has been classified as securities premium.

Share options outstanding account

The Share options outstanding account is used to record the fair value of equity-settled share based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees.

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

Cash flow hedge reserve

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

2.11.1 EQUITY SHARE CAPITAL

Particulars	<i>(In ₹ crore, except as otherwise stated)</i>	
	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⁾	2,130	2,129
426,06,60,846 (425,89,92,566) equity shares fully paid-up	2,130	2,129

⁽¹⁾ Refer note no. 2.21 for details of basic and diluted shares

Forfeited shares amounted to ₹1,500/- (₹1,500/-)

The Company has only one class of shares referred to as equity shares having a par value of ₹5/-. Each holder of equity shares is entitled to one vote per share. The equity shares represented by American 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. 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:

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

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 of 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.

2.11.2 DIVIDEND

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

The amount of per share dividend recognized as distribution to equity shareholders is as follows:

Particulars	<i>(in ₹)</i> Year ended March 31,	
	2021	2020
Interim Dividend for fiscal 2021	12.00	-
Final dividend for fiscal 2020	9.50	-
Interim Dividend for fiscal 2020	-	8.00
Final dividend for fiscal 2019	-	10.50

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 ₹ 9,158 crore.

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 ₹6,391 crore.

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

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 is set out below:

Particulars	<i>(in ₹ crore, except as stated otherwise)</i> 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	425,89,92,566	2,129	435,62,79,444	2,178
Add: Shares issued on exercise of employee stock options	1,668,280	1	580,388	-
Less: Shares bought back	-	-	9,78,67,266	49
As at the end of the period	426,06,60,846	2,130	425,89,92,566	2,129

2.11.3 Employee Stock Option Plan (ESOP):

Accounting Policy

The Company 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 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 shareholders return (TSR) against selected industry peers and certain broader market domestic and global indices and operating performance metrics of the company as decided by administrator. Each of the above performance parameters will be distinct for the purposes of calculation of quantity of shares to vest based on performance. These instruments will generally vest between a minimum of 1 to maximum of 3 years from the grant date.

2015 Stock Incentive Compensation Plan (the 2015 Plan) :

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board 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 24,038,883 equity shares (this includes 11,223,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). The Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

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

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 KMPs	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 KMPs	-	-	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.

Break-up of employee stock compensation expense

Particulars	(in ₹ crore)	
	Year ended March 31,	
	2021	2020
Granted to:		
KMP	76	56
Employees other than KMP	221	170
Total ⁽¹⁾	297	226
⁽¹⁾ Cash settled stock compensation expense included in the above	71	10

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 receipts. 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	87,80,898	3.96	91,81,198	3.13
Granted	2,660,611	5.00	38,54,176	5.00
Exercised	3,783,462	3.55	25,61,218	2.95
Modification to equity settled awards	871,900	-	-	-
Modification to cash settled awards	-	-	10,61,820	-
Forfeited and expired	482,707	4.13	6,31,438	3.29
Outstanding at the end	80,47,240	4.52	87,80,898	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	16,23,176	516
Granted	-	-	-	-
Exercised	239,272	534	104,796	516
Modification to equity settled awards	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	7,80,358	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:

Range of exercise prices per share (₹)	2019 plan - Options outstanding			2015 plan - Options outstanding		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
0 - 5 (RSU)	2,091,293	1.76	5.00	8,780,898	1.59	3.96
450 - 600 (ESOP)	-	-	-	1,100,330	3.48	539
	2,091,293	1.76	5.00	9,881,228	1.80	64

As at March 31, 2021 and March 31, 2020, 3,87,088 and 17,56,521 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 with 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

Particulars	(In ₹ crore)	
	As at	
	March 31, 2021	March 31, 2020
Non-current		
Others		
Compensated absences	91	32
Accrued compensation to employees ⁽¹⁾	-	12
Accrued expenses ⁽¹⁾⁽⁴⁾	163	-
Other payables ⁽¹⁾	5	5
Total non-current other financial liabilities	259	49
Current		
Unpaid dividends ⁽¹⁾	33	30
Others		
Accrued compensation to employees ⁽¹⁾	2,915	2,264
Accrued expenses ⁽¹⁾⁽⁴⁾	2,944	2,646
Retention monies ⁽¹⁾	13	30
Payable for acquisition of business - Contingent consideration ⁽²⁾	5	151
Capital creditors ⁽¹⁾	340	254
Compensated absences	1,640	1,497
Other payables ⁽¹⁾⁽⁵⁾	460	603
Foreign currency forward and options contracts ⁽²⁾⁽³⁾	9	461
Total current other financial liabilities	8,359	7,936
Total other financial liabilities	8,618	7,985
⁽¹⁾ Financial liability carried at amortized cost	6,873	5,844
⁽²⁾ Financial liability carried at fair value through profit or loss	14	592
⁽³⁾ Financial liability carried at fair value through other comprehensive income	-	20
⁽⁴⁾ Includes dues to subsidiaries	74	2
⁽⁵⁾ Includes dues to subsidiaries	174	47
Contingent consideration on undiscounted basis	5	152

2.13 TRADE PAYABLES

Particulars	(In ₹ crore)	
	As at	
	March 31, 2021	March 31, 2020
Trade payables ⁽¹⁾	1,562	1,529
Total trade payables	1,562	1,529
⁽¹⁾ Includes dues to subsidiaries	400	271

As at March 31, 2021 and March 31, 2020, there are no outstanding dues to Micro, Small and Medium Enterprises. There is no interest due or outstanding on the same. During the year ended March 31, 2021 and March 31, 2020, an amount of ₹13 crore and ₹11 crore was paid beyond the appointed day as defined in the Micro, Small and Medium Enterprises Development Act 2006.

2.14 OTHER LIABILITIES

Particulars	(In ₹ crore)	
	As at	
	March 31, 2021	March 31, 2020
Non current		
Accrued defined benefit plan liability (Refer to Note 2.20)	274	185
Others		
Deferred income	16	22
Deferred income - government grants	14	-
Withholding taxes and others	345	-
Total non - current other liabilities	649	207
Current		
Accrued defined benefit plan liability	3	64
Unearned revenue	3,145	2,140
Client deposits	-	9
Others		
Withholding taxes and others	1,668	1,344
Total current other liabilities	4,816	3,557
Total other liabilities	5,465	3,764

2.15 PROVISIONS

Accounting Policy

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

a. Post sales client support

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

b. Onerous contracts

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

Provision for post-sales client support and other provisions

Particulars	<i>(In ₹ crore)</i>	
	As at	
	March 31, 2021	March 31, 2020
Current		
Others		
Post-sales client support and others	661	506
Total provisions	661	506

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

Particulars	<i>(In ₹ crore)</i>
	Year ended March 31, 2021
Balance at the beginning	506
Provision recognized/(reversed)	278
Provision utilized	(103)
Exchange difference	(20)
Balance at the end	661

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

2.16 INCOME TAXES

Accounting Policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

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

Income tax expense in the statement of profit and loss comprises:

(In ₹ crore)

Particulars	Year ended March 31,	
	2021	2020
Current taxes	6,013	5,235
Deferred taxes	416	(301)
Income tax expense	6,429	4,934

Income tax expense for the year ended March 31, 2021 and March 31, 2020 includes reversal (net of provisions) of ₹298 crore and ₹298 crore, respectively. These reversals pertain 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	24,477	20,477
Enacted tax rates in India	34.94%	34.94%
Computed expected tax expense	8,553	7,155
Tax effect due to non-taxable income for Indian tax purposes	(2,468)	(2,637)
Overseas taxes	715	700
Tax provision (reversals)	(298)	(298)
Effect of exempt non-operating income	(166)	(49)
Effect of non-deductible expenses	127	109
Branch profit tax (net of credits)	(27)	(35)
Others	(7)	(11)
Income tax expense	6,429	4,934

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 Company has benefited from certain income tax incentives that the Government of India had provided for export of software from the units registered under the Special Economic Zones Act (SEZs), 2005. SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50% of such profits or gains for further five years. Up to 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone re-investment Reserve out of the profit for the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

Entire deferred income tax for the year ended March 31, 2021 and March 31, 2020, 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 branch profit tax 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 ₹1,014 crore and ₹372 crore as at March 31, 2021 and March 31, 2020, respectively as it is probable that future taxable profit will be not be available against which the unused tax losses can be utilized in the foreseeable future. Majority of the accumulated losses as at March 31, 2021 will expire in financial years 2028 and 2029.

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	5,287	4,773
Current income tax liabilities	1,737	1,302
Net current income tax asset/ (liability) at the end	3,550	3,471

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

Particulars	(In ₹ crore)	
	As at	
	March 31, 2021	March 31, 2020
Net current income tax asset/ (liability) at the beginning	3,471	4,835
Income tax paid	6,061	3,881
Current income tax expense	(6,013)	(5,235)
Income tax benefit arising on exercise of stock options	45	9
Income tax on other comprehensive income	1	(21)
Tax impact on buyback expenses	-	4
Tax liability taken over from Kallidus	(15)	-
Translation differences	-	(2)
Net current income tax asset/ (liability) at the end	3,550	3,471

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

Particulars	(In ₹ crore)					
	Carrying value as of April 1, 2020	Changes through profit and loss	Additions through business transfer	Changes through OCI	Translation difference	Carrying value as of March 31, 2021
Property, plant and equipment	203	111	-	-	1	315
Lease liabilities	120	29	-	-	-	149
Trade receivables	182	12	-	-	-	194
Compensated absences	380	56	1	-	-	437
Post sales client support	101	14	-	-	-	115
Derivative financial instruments	155	(201)	-	(8)	-	(54)
Credits related to branch profits	377	(11)	-	-	(11)	355
Intangibles through business transfer	-	5	(14)	-	(1)	(10)
Branch profit tax	(555)	38	-	-	17	(500)
SEZ reinvestment reserve	(82)	(531)	-	-	-	(613)
Others	(8)	62	-	2	-	56
Total Deferred income tax assets and liabilities	873	(416)	(13)	(6)	6	444

The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2020 is as follows:

Particulars	(In ₹ crore)					
	Carrying value as of April 1, 2019	Changes through profit and loss	Changes through OCI	Reclassification	Impact on Account of Ind AS 116	Carrying value as of March 31, 2020
Property, plant and equipment	223	(20)	-	-	-	203
Lease liabilities	-	70	-	48	2	120
Trade receivables	164	18	-	-	-	182
Compensated absences	349	31	-	-	-	380
Post sales client support	95	6	-	-	-	101
Derivative financial instruments	(102)	245	12	-	-	155
Credits related to branch profits	340	13	-	-	-	377
Intangibles	-	-	-	-	-	-
Branch profit tax	(541)	22	-	-	-	(555)
SEZ reinvestment reserve	-	(82)	-	-	-	(82)
Others	45	(2)	(3)	(48)	-	(8)
Total Deferred income tax assets and liabilities	573	301	9	-	2	873

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

Particulars	(In ₹ crore)	
	As at	
	March 31, 2021	March 31, 2020
Deferred income tax assets after set off	955	1,429
Deferred income tax liabilities after set off	(511)	(556)

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

In assessing the reliability of deferred income tax assets, the management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

2.17 REVENUE FROM OPERATIONS

Accounting Policy

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

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

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

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

Revenue on time-and-material and unit of work based contracts, are recognized as the related services are performed. Fixed price maintenance revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Company's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended have been used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the 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 Company 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 Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

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

Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two distinct separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the Company uses the expected cost plus margin approach in estimating the standalone selling price. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably 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 Company is acting as an agent between the customer and the vendor, and gross when the Company is the principal for the transaction. In doing so, the Company first evaluates whether it controls the good or service before it is transferred to the customer. The Company considers whether it has the primary obligation to fulfil the contract, inventory risk, pricing discretion and other factors to determine whether it controls the goods or service and therefore is acting as a principal or an agent.

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Company expects to recover them. 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 Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

Revenue from operations for the year ended March 31, 2021 and March 31, 2020 is as follows:

Particulars	(In ₹ crore)	
	Year ended March 31,	
	2021	2020
Revenue from software services	85,669	78,809
Revenue from products and platforms	243	238
Total revenue from operations	85,912	79,047

The company has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts;(ii) onerous obligations;(iii) penalties relating to breaches of service level agreements, and (iv) termination or deferment of contracts by customers. The company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the company 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 offerings for the year ended March 31, 2021 and March 31, 2020 respectively. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Particulars	(In ₹ crore)	
	Year ended March 31,	
	2021	2020
Revenue by offerings		
Core	43,810	47,533
Digital	42,102	31,514
Total	85,912	79,047

Digital Services

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

Core Services

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

Products & platforms

The Company also derives revenues from the sale of products and platforms including Infosys Nia - Artificial Intelligence (AI) platform which applies next-generation AI and machine learning.

The percentage of revenue from fixed-price contracts for each of the 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 Company's Balance Sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones.

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

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

Invoicing in excess of earnings are classified as "unearned revenue".

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

During the year ended March 31, 2021 and March 31, 2020, the company recognized revenue of ₹1,861 crore and ₹1,835 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, ₹3,401 crore and ₹2,648 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.

Remaining performance obligation disclosure

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material including 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 ₹62,114 crore. Out of this, the Group expects to recognize revenue of around 49% 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 ₹48,958 crore. The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them. Generally, customers have not terminated contracts without cause.

2.18 OTHER INCOME, NET

2.18.1 Other income - Accounting Policy

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

2.18.2 Foreign currency - Accounting Policy

Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

Transactions and translations

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

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).

Government grant

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in the net profit in the 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 the net profit in the 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:

Particulars	(In ₹ crore)	
	Year ended March 31,	
	2021	2020
Interest income on financial assets carried at amortized cost		
Tax free bonds and government bonds	143	138
Deposit with Bank and others	951	1,080
Interest income on financial assets fair valued through other comprehensive income		
Non-convertible debentures, commercial paper, certificates of deposit and government securities	372	282
Income on investments carried at fair value through other comprehensive income	80	41
Income on investments carried at fair value through profit or loss		
Dividend income on liquid mutual funds	8	2
Gain / (loss) on liquid mutual funds and other investments	70	188
Dividend received from subsidiary	321	-
Interest income on income tax refund	-	250
Exchange gains/(losses) on foreign currency forward and options contracts	558	(528)
Exchange gains/(losses) on translation of assets and liabilities	(279)	1,056
Miscellaneous income, net	243	191
Total other income	2,467	2,700

2.19 EXPENSES

(In ₹ crore)

Particulars	Year ended March 31,	
	2021	2020
<i>Employee benefit expenses</i>		
Salaries including bonus	43,605	41,159
Contribution to provident and other funds	1,146	938
Share based payments to employees (Refer note no. 2.10)	297	226
Staff welfare	131	111
	45,179	42,434
<i>Cost of software packages and others</i>		
For own use	942	814
Third party items bought for service delivery to clients	1,116	842
	2,058	1,656
<i>Other expenses</i>		
Power and fuel	99	176
Brand and Marketing	288	441
Short-term leases	24	37
Rates and taxes	192	143
Repairs and Maintenance	1,050	1,198
Consumables	22	32
Insurance	108	72
Provision for post-sales client support and others	47	3
Commission to non-whole time directors	6	8
Impairment loss recognized / (reversed) under expected credit loss model	152	137
Auditor's remuneration		
Statutory audit fees	5	7
Tax matters	-	-
Other services	1	2
Contributions towards Corporate Social Responsibility(CSR) (Refer note 2.24)		
Towards CSR*	412	360
Proposed transfer of CSR assets	283	-
Others	54	171
	2,743	2,787

* 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

2.20 EMPLOYEE BENEFITS

Accounting Policy

2.20.1 Gratuity and Pensions

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible Indian employees of Infosys. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company contributes Gratuity liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). Trustees administer contributions made to the Trusts and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by Indian law.

The Company 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 Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market risk.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in net profit in the Statement of Profit and Loss.

2.20.2 Provident fund

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

2.20.3 Superannuation

Certain employees of Infosys are participants in a defined contribution plan. The Company has no further obligations to the Plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

2.20.4 Compensated absences

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

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.

a. Gratuity and Pension

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

Particulars	(In ₹ crore)	
	As at March 31,	
	2021	2020
Change in benefit obligations		
Benefit obligations at the beginning	1,195	1,158
Service cost	181	155
Interest expense	72	78
Transfer of obligation	3	1
Remeasurements - Actuarial (gains)/ losses	14	(78)
Benefits paid	(83)	(119)
Benefit obligations at the end	1,382	1,195
Change in plan assets		
Fair value of plan assets at the beginning	1,338	1,183
Interest income	80	84
Transfer of assets	-	1
Remeasurements- Return on plan assets excluding amounts included in interest income	10	8
Contributions	45	180
Benefits paid	(82)	(118)
Fair value of plan assets at the end	1,391	1,338
Funded status	9	143

The amount for the year ended March 31, 2021 and March 31, 2020 recognized in the Statement of Profit and Loss under employee benefit expense are as follows:

Particulars	(In ₹ crore)	
	Year ended March 31,	
	2021	2020
Service cost	181	155
Net interest on the net defined benefit	(8)	(6)
Net gratuity cost	173	149

The amount for the year ended March 31, 2021 and March 31, 2020 recognized in the statement of other comprehensive income are as follows:

Particulars	(In ₹ crore)	
	Year ended March 31,	
	2021	2020
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial (gains) / losses	14	(78)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(10)	(8)
	4	(86)

Particulars	(In ₹ crore)	
	Year ended March 31,	
	2021	2020
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	8	(61)
(Gain) / loss from change in experience assumptions	6	(17)
	14	(78)

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	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 management's estimate of future salary increases.

⁽³⁾ Attrition rate considered is the management's estimate based on the past long-term trend of employee turnover in the Company.

Sensitivity of significant assumptions used for valuation of defined benefit obligations:

Impact from percentage point increase / decrease in	(in ₹ crore)	
	As at March 31,	
	2021	2020
Discount Rate	78	67
Weighted average rate of increase in compensation level	70	59

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is not probable, and changes in some of the assumptions may be correlated.

The Company contributes all ascertained liabilities towards gratuity to the Infosys Limited Employees' Gratuity Fund Trust. 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 ₹90 crore and ₹92 crore respectively.

The Company expects to contribute ₹190 crore to the gratuity trusts during the fiscal 2022.

Maturity profile of defined benefit obligation:

	(In ₹ crore)
Within 1 year	194
1-2 year	200
2-3 year	213
3-4 year	233
4-5 year	245
5-10 years	1,219

The Company 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 ₹541 crore, fair value of plan assets is ₹434 crore, resulting in recognition of a net DBO of ₹107 crore.

b. Superannuation

The Company contributed ₹242 crore and ₹223 crore to the Superannuation trust during the year ended March 31, 2021 and March 31, 2020 respectively and the same has been recognized in the Statement of Profit and Loss account under the head employee benefit expense.

c. Provident fund

Infosys has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by 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:

Particulars	(In ₹ crore)	
	As at March 31,	
	2021	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)

Amount for the year ended March 31, 2021 and March 31, 2020 recognized in the statement of other comprehensive income:

Particulars	(In ₹ crore)	
	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

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

Particulars	As at March 31,	
	2021	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 is as follows:

Particulars	As at March 31,	
	2021	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 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 crore on account of a 0.25% increase / decrease in the expected rate of return on plan assets.

The Company contributed ₹568 crore and ₹541 crore to the provident fund during the year ended March 31, 2021 and March 31, 2020, respectively. The same has been recognized in the net profit in the 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.

Employee benefits cost include:

Particulars	(In ₹ crore)	
	Year ended March 31,	
	2021	2020
Salaries and bonus ⁽¹⁾	44,078	41,521
Defined contribution plans	242	223
Defined benefit plans	859	690
	45,179	42,434

⁽¹⁾ Includes employee stock compensation expense of ₹297 crore and ₹226 crore for the year ended March 31, 2021 and March 31, 2020, respectively (Refer note 2.11).

2.21 RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNING PER SHARE

Accounting Policy

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

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

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	Year ended March 31,	
	2021	2020
Basic earnings per equity share - weighted average number of equity shares outstanding	4,25,94,38,950	4,27,70,30,249
Effect of dilutive common equivalent shares - share options outstanding	36,53,564	27,78,577
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	4,26,30,92,514	4,27,98,08,826

For the year ended March 31, 2021 and March 31, 2020 no number of options to purchase equity shares had an anti-dilutive effect.

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 recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Particulars	As at	
	March 31, 2021	March 31, 2020
<i>(In ₹ crore)</i>		
Contingent liabilities :		
Claims against the Company, not acknowledged as debts ⁽¹⁾	3,753	3,410
[Amount paid to statutory authorities ₹5,827 crore (₹5,229 crore)]		
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for	609	1,305
(net of advances and deposits) ⁽²⁾		
Other Commitments*	10	15

* *Uncalled capital pertaining to investments*

⁽¹⁾ As at March 31, 2021, claims against the Company not acknowledged as debts in respect of income tax matters amounted to ₹3,424 crore.

The claims against the Company majorly represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as disallowance of profits earned from STP Units and SEZ Units, disallowance of deductions in respect of employment of new employees under section 80JJAA, disallowance of expenditure towards software being held as capital in nature, payments made to Associated Enterprises held as liable for withholding of taxes. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial position and results of operations.

Amount paid to statutory authorities against the above tax claims amounted to ₹5,817 crore.

⁽²⁾ Capital contracts primarily comprises of commitments for infrastructure facilities and computer equipment's.

Legal Proceedings

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

2.23 RELATED PARTY TRANSACTIONS

List of related parties

Name of subsidiaries	Country	Holdings as at	
		March 31, 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) ⁽¹¹⁾	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%
Square Peg Digital Pty Ltd ⁽²²⁾	Australia	100%	100%
Simplus Philippines, Inc. ⁽²¹⁾	Philippines	100%	100%
Simplus Europe, Ltd. ⁽²¹⁾	U.K.	100%	100%
Infosys Fluidio UK, Ltd. (formerly Simplus U.K., Ltd) ⁽¹²⁾⁽²⁶⁾	U.K.	100%	100%
Infosys Fluidio 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 Fluidio 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, Fluidio Oy, acquired 100% of the voting interests in Infosys Fluidio UK, Ltd (formerly Simplus U.K., Ltd) and Infosys Fluidio 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 Fluidio 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 Employees Welfare Trust	India	Controlled trust
Infosys Employee Benefits Trust	India	Controlled trust
Infosys Science Foundation	India	Controlled trust
Infosys Expanded Stock Ownership Trust*	India	Controlled trust

* Registered on May 15, 2019

The Company's material related party transactions during the year ended March 31, 2021 and March 31, 2020 and outstanding balances as at March 31, 2021 and March 31, 2020 are with its subsidiaries with whom the Company generally enters into transactions which are at arms length and in the ordinary course of business.

Refer note no. 2.20 for information on transactions with post-employment benefit plans mentioned above.

List of key management personnel

Whole-time directors

Salil Parekh , Chief Executive Officer and Managing Director

U. B. Pravin Rao, Chief Operating officer

Non-whole-time directors

Nandan M. Nilekani

Micheal Gibbs

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

The details of amounts due to or due from related parties as at March 31, 2021 and March 31, 2020 are as follows:

Particulars	As at	
	March 31, 2021	March 31, 2020
Investment in debentures		
EdgeVerve ⁽¹⁾	536	1,159
	536	1,159
Trade receivables		
EdgeVerve	-	16
Brilliant Basics Limited	1	1
Infosys China	11	24
Infosys Mexico	2	7
Infosys BPM	9	10
Infosys BPO Americas	7	-
Infy Consulting Company Ltd.	3	6
Infosys Public Services	54	69
Infosys Shanghai	1	5
Infosys Sweden	7	4
Infosys Fluidio Oy	2	-
Infosys Consulting Ltda.	1	6
Infosys McCamish Systems LLC	46	104
Panaya Ltd	1	129
Infosys Compaz Pte. Ltd	12	27
Stater Nederland B.V.	1	-
Outbox System, Inc. dba Simplus	3	-
Infosys Luxembourg S.à.r.l	24	-
Infosys Middle East FZ-LLC	18	-
	203	408
Loans		
Infosys China ⁽²⁾	21	94
Infosys Consulting Pte Ltd ⁽³⁾	-	277
Infosys Consulting S.R.L. ⁽⁴⁾	-	9
Infosys Shanghai ⁽⁵⁾	75	-
	96	380
Prepaid expense and other assets		
Panaya Ltd.	236	168
GuideVision, s.r.o.	1	-
	237	168
Other financial assets		
Infosys BPM	145	8
Panaya Ltd.	-	3
Infosys Austria GmbH	-	3
Infosys Consulting GmbH	2	1
Infosys China	9	8
Infosys Shanghai	2	1
Infy Consulting Company Ltd.	5	3
Infosys Management Consulting Pty Limited	1	1
Infosys Consulting AG	1	1
Infosys Public Services	-	1
Kallidus	-	2
Infosys Consulting Ltda.	1	3
Skava Systems Pvt. Ltd.	-	1
Infy Consulting B.V.	2	1
Brilliant Basics Limited	4	2
Infosys Mexico	-	2
Infosy Fluidio Oy	1	-
McCamish Systems LLC	4	1
Infosys Poland sp. z o o	1	1
Stater NV	-	21
Fluidio Denmark A/S	1	1
Edgeverve	3	-
	182	65

(In ₹ crore)

Unbilled revenues		
EdgeVerve	77	45
Kallidus	-	8
Stater Nederland B.V.	5	31
	82	84
Trade payables		
Infosys China	6	6
Infosys BPM	121	60
Infosys (Czech Republic) Limited s.r.o.	12	10
Infosys Mexico	8	4
Infosys Sweden	39	3
Infosys Shanghai	8	5
Infosys Management Consulting Pty Limited	11	8
Infosys Consulting Pte Ltd.	3	3
Infy Consulting Company Ltd.	46	93
Infosys consulting Ltda	6	5
Brilliant Basics Limited	-	8
Panaya Ltd.	37	12
Infosys Public Services	3	3
Kallidus	-	5
Portland Group Pty Ltd	1	2
Infosys Chile SpA	1	3
Infosys Compaz Pte. Ltd	1	1
Infosys Middle East FZ-LLC	12	12
Infosys Poland Sp Z.o.o	10	3
Infosys Consulting S.R.L.	20	10
Skava Systems Pvt. Ltd.	-	1
Infosys Fluido Oy	20	-
McCamish Systems LLC	2	1
Fluido Sweden AB	10	-
Edgeverve	1	-
WongDoody, Inc.	6	-
WDW Communications, Inc.	16	13
	400	271
Other financial liabilities		
Infosys BPM	127	4
Brilliant Basics Limited	23	1
Fluido Oy	-	9
Fluido Sweden AB	-	2
Infosys Mexico	1	1
Infosys Consulting Ltda.	-	1
Infosys Compaz Pte. Ltd	-	1
Infosys China	3	2
Kallidus Inc,	-	3
Stater Nederland B.V.	-	20
Infosys Middle East FZ-LLC	-	3
Infosys Shanghai	1	-
HIPUS Co., Ltd	1	-
Outbox System,Inc. dba Simplus	9	-
GuideVision, s.r.o.	2	-
Simplus Australia Pty Ltd	2	-
Simplus Philippines, Inc.	1	-
GuideVision Polska SP. Z O.O.	1	-
iCiDIGITAL LLC	3	-
	174	47
Accrued expenses		
Infosys BPM	74	2
	74	2

⁽¹⁾ At an interest rate of 7.138% per annum.

⁽²⁾ Interest at the rate of 6% per annum repayable on demand

⁽³⁾ Interest at the rate of 3% per annum repayable on demand

⁽⁴⁾ Interest at the rate of 4% per annum repayable on demand

⁽⁵⁾ Interest at the rate of 6% per annum repayable on demand.

(In ₹ crore)

Particulars	Maximum amount outstanding during the	
	Year ended March 31,	
	2021	2020
Loans and advances in the nature of loans given to Subsidiaries:		
Infosys China	471	94
Brilliant Basics	-	8
Infosys Consulting Holding AG	-	86
Infosys Shanghai	79	-
Infosys Consulting S.R.L Argentina	-	8
Infosys Consulting S.R.L. Romania	2	9

The details of the related parties transactions entered into by the Company for the year ended March 31, 2021 and March 31, 2020 are as follows:

Particulars	(In ₹ crore)	
	Year ended March 31,	
	2021	2020
Capital transactions:		
Financing transactions		
Equity		
Infosys Consulting Brazil	154	140
Wongdoody Holding Company Inc	21	9
Infosys BPM ⁽²⁾	-	1
Infosys Nova Holdings LLC	1,302	1,335
Infosys Luxembourg S.a r.l.	13	-
Infosys Limited Bulgaria	2	-
Infosys Germany Holdings Gmbh	2	-
Infosys China	36	-
Kallidus ⁽³⁾	(151)	-
Preference shares		
Infosys Consulting Pte Ltd. ⁽¹⁾	-	1,318
	1,379	2,803
Debentures (net of repayment)		
Edgeverve	(623)	(286)
	(623)	(286)
Loans (net of repayment)		
Infosys China	(74)	-
Infosys Shanghai	76	-
Infosys Consulting Holding AG	-	(92)
Brilliant Basics Holdings Limited	-	(7)
Infosys Consulting Pte Ltd.	(277)	(496)
Infosys Consulting S.R.L.	(9)	8
	(284)	(587)
Revenue transactions:		
Purchase of services		
Infosys China	63	76
Infosys Management Consulting Pty Limited	129	108
Infy Consulting Company Limited	965	1,030
Infosys Consulting Pte Ltd.	25	34
Portland Group Pty Ltd	33	22
Infosys (Czech Republic) Limited s.r.o.	122	98
Infosys BPM	1,321	733
Infosys Sweden	47	48
Infosys Shanghai	87	74
Infosys Mexico	72	67
Infosys Public Services	32	35
Panaya Ltd.	131	102
Infosys Brasil	-	10
Infosys Poland Sp Z.o.o	66	30
Infosys Consulting S.R.L. Romania	182	22
Infosys Compaz Pte. Ltd	3	6
Infosys Consulting Ltda.	41	14
Kallidus	22	26
Brilliant Basics Limited	53	95
Infosys Chile SpA	15	14
Infosys Middle East FZ-LLC	61	83
Fluido Oy	30	12
Fluido Sweden AB (Extero)	31	18
McCamish Systems LLC	7	6
GuideVision, s.r.o.	2	-

GuideVision Polska SP.Z.O.O	1	-
HIPUS	1	-
Simplus Australia Pty Ltd	1	-
Simplus Philippines, Inc.	1	-
Outbox System,Inc. dba Simplus	27	-
WDW Communications, Inc.	108	61
iCiDIGITAL LLC	3	-
WongDoody, Inc.	9	-
	3,691	2,824
Purchase of shared services including facilities and personnel		
Brilliant Basics Limited	3	5
Infosys BPM	3	3
WongDoody, Inc.	6	-
Infosys Public Services	3	-
Panaya Ltd.	1	-
Fluidio Oy	-	1
Infosys Mexico	6	-
WDW Communications, Inc.	14	12
	36	21
Interest income		
Infosys China	3	6
Infosys Shanghai	4	-
Infosys Consulting Holding AG	-	1
Infosys Consulting Pte Ltd.	3	39
EdgeVerve	61	107
	71	153
Guarantee income		
Infosys Consulting Pte Ltd.	1	1
	1	1
Dividend income		
Infosys BPM	321	1
	321	1
Sale of services		
Infosys China	25	23
Infosys Mexico	26	34
Infy Consulting Company Limited	22	44
Infosys Brasil	-	3
Infosys BPO Americas	22	-
Infosys BPM	110	121
Infosys Fluidio Oy	2	-
Infosys Luxembourg S.à.r.l	24	-
Infosys Middle East FZ-LLC	24	-
McCamish Systems LLC	160	320
Infosys Sweden	41	11
Infosys Shanghai	2	5
EdgeVerve	668	597
Infosys Public Services	682	749
Outbox System,Inc. dba Simplus	3	-
Infosys Compaz Pte Ltd	72	64
Infosys Consulting Ltda.	9	5
Infosys Austria GmbH	-	2
Panaya Ltd.	1	-
Fluidio Denmark A/S	-	1
Stater Nederland B.V.	54	45
	1,947	2,024

Sale of shared services including facilities and personnel

EdgeVerve	29	33
Panaya Ltd.	3	9
HIPUS	-	1
Infosys BPM	24	25
Brilliant Basics Limited	1	-
	57	68

⁽¹⁾ Includes loan conversion by way of issuing redeemable preference shares

⁽²⁾ Represents purchase of non-controlling interest

⁽³⁾ Represents funds received on liquidation of entity

Transactions with key management personnel

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

Particulars	(In ₹ crore)	
	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

⁽²⁾ Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.

2.24 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

- Gross amount required to be spent by the company during the year is ₹372 crore.
- Amount spent during the year on:

Particulars	(In ₹ crore)		
	In Cash	Yet to be paid in Cash	Total
1. Construction / acquisition of any asset	-	-	-
2. On purposes other than (1) above ⁽¹⁾	375	-	375

⁽¹⁾ Includes ₹50 crore towards unspent CSR account as this pertains to ongoing projects

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 carrying amount of the capital asset amounting to ₹283 crore has been impaired and included as CSR expense in the standalone financial statements because the Company will not be able to recover the carrying amount of the asset from its Subsidiary on account of prohibition on payment of dividend by this Subsidiary

2.25 SEGMENT REPORTING

The Company publishes this financial statement along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

2.26 FUNCTION-WISE CLASSIFICATION OF STATEMENT OF PROFIT AND LOSS

Particulars	Note No.	(In ₹ crore)	
		Year ended March 31,	
		2021	2020
Revenue from operations	2.17	85,912	79,047
Cost of sales		55,541	52,816
Gross Profit		30,371	26,231
Operating expenses			
Selling and marketing expenses		3,676	3,814
General and administration expenses		4,559	4,526
Total operating expenses		8,235	8,340
Operating profit		22,136	17,891
Interest expense		126	114
Other income, net	2.18	2,467	2,700
Profit before tax		24,477	20,477
Tax expense:			
Current tax	2.16	6,013	5,235
Deferred tax	2.16	416	(301)
Profit for the year		18,048	15,543
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of the net defined benefit liability/asset, net		148	(184)
Equity instruments through other comprehensive income, net		120	(31)
<i>Items that will be reclassified subsequently to profit or loss</i>			
Fair value changes on derivatives designated as cash flow hedge, net		25	(36)
Fair value changes on investments, net	2.4	(102)	17
Total other comprehensive income/(loss), net of tax		191	(234)
Total comprehensive income for the year		18,239	15,309

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