# INFOSYS LIMITED AND SUBSIDIARIES

## *Consolidated Financial Statements under Indian Accounting Standards (Ind AS) for the year ended March 31, 2025*


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**INFOSYS LIMITED AND SUBSIDIARIES**

*(In ₹ crore )*

| Consolidated Balance Sheets as at | Note No. | March 31, 2025 | March 31, 2024 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 2.2 | 11,778 | 12,370 |
| Right-of-use assets | 2.21 | 6,311 | 6,552 |
| Capital work-in-progress | 2.3 | 814 | 293 |
| Goodwill | 2.4.1 and 2.1 | 10,106 | 7,303 |
| Other intangible assets | 2.4.2 | 2,766 | 1,397 |
| Financial assets | | | |
| Investments | 2.5 | 11,059 | 11,708 |
| Loans | 2.6 | 16 | 34 |
| Other financial assets | 2.7 | 3,511 | 3,105 |
| Deferred tax assets (net) | 2.17 | 1,108 | 454 |
| Income tax assets (net) | 2.17 | 1,622 | 3,045 |
| Other non-current assets | 2.10 | 2,713 | 2,121 |
| **Total non-current assets** | | **51,804** | **48,382** |
| | | | |
| **Current assets** | | | |
| Financial assets | | | |
| Investments | 2.5 | 12,482 | 12,915 |
| Trade receivables | 2.8 | 31,158 | 30,193 |
| Cash and cash equivalents | 2.9 | 24,455 | 14,786 |
| Loans | 2.6 | 249 | 248 |
| Other financial assets | 2.7 | 13,840 | 12,085 |
| Income tax assets (net) | 2.17 | 2,975 | 6,397 |
| Other current assets | 2.10 | 11,940 | 12,808 |
| **Total current assets** | | **97,099** | **89,432** |
| **Total assets** | | **148,903** | **137,814** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 2.12 | 2,073 | 2,071 |
| Other equity | | 93,745 | 86,045 |
| **Total equity attributable to equity holders of the Company** | | **95,818** | **88,116** |
| Non-controlling interests | | 385 | 345 |
| **Total equity** | | **96,203** | **88,461** |
| | | | |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial Liabilities | | | |
| Lease liabilities | 2.21 | 5,772 | 6,400 |
| Other financial liabilities | 2.13 | 2,141 | 2,130 |
| Deferred tax liabilities (net) | 2.17 | 1,722 | 1,794 |
| Other non-current liabilities | 2.15 | 215 | 235 |
| **Total non-current liabilities** | | **9,850** | **10,559** |
| | | | |
| **Current liabilities** | | | |
| Financial Liabilities | | | |
| Lease liabilities | 2.21 | 2,455 | 1,959 |
| Trade payables | 2.14 | 4,164 | 3,956 |
| Other financial liabilities | 2.13 | 18,138 | 16,959 |
| Other current liabilities | 2.15 | 11,765 | 10,539 |
| Provisions | 2.16 | 1,475 | 1,796 |
| Income tax liabilities (net) | 2.17 | 4,853 | 3,585 |
| **Total current liabilities** | | **42,850** | **38,794** |
| **Total equity and liabilities** | | **148,903** | **137,814** |

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

*As per our report of even date attached*

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

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

Vikas Bagaria
*Partner*
Membership No. 060408

Nandan M. Nilekani
*Chairman*
DIN: 00041245

Salil Parekh
*Chief Executive Officer*
*and Managing Director*
DIN: 01876159

Bobby Parikh
*Director*
DIN: 00019437

Bengaluru
April 17, 2025

Jayesh Sanghrajka
*Chief Financial Officer*

A.G.S. Manikantha
*Company Secretary*
Membership No. A21918

## INFOSYS LIMITED AND SUBSIDIARIES

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

| Consolidated Statement of Profit and Loss for the | Note No. | Year ended March 31, | |
|---|---|---|---|
| | | 2025 | 2024 |
| Revenue from operations | 2.18 | 162,990 | 153,670 |
| Other income, net | 2.19 | 3,600 | 4,711 |
| **Total income** | | **166,590** | **158,381** |
| | | | |
| **Expenses** | | | |
| Employee benefit expenses | 2.22 | 85,950 | 82,620 |
| Cost of technical sub-contractors | | 12,937 | 12,232 |
| Travel expenses | | 1,894 | 1,759 |
| Cost of software packages and others | 2.20 | 15,911 | 13,515 |
| Communication expenses | | 620 | 677 |
| Consultancy and professional charges | | 1,655 | 1,726 |
| Depreciation and amortization expenses | 2.2, 2.4.2 and 2.21 | 4,812 | 4,678 |
| Finance cost | | 416 | 470 |
| Other expenses | 2.20 | 4,787 | 4,716 |
| **Total expenses** | | **128,982** | **122,393** |
| **Profit before tax** | | **37,608** | **35,988** |
| Tax expense: | | | |
| Current tax | 2.17 | 12,130 | 8,390 |
| Deferred tax | 2.17 | (1,272) | 1,350 |
| **Profit for the period** | | **26,750** | **26,248** |
| | | | |
| **Other comprehensive income** | | | |
| *Items that will not be reclassified subsequently to profit or loss* | | | |
| Remeasurement of the net defined benefit liability/asset, net | 2.22 | (92) | 120 |
| Equity instruments through other comprehensive income, net | 2.5 | 19 | 19 |
| | | **(73)** | **139** |
| *Items that will be reclassified subsequently to profit or loss* | | | |
| Fair value changes on derivatives designated as cash flow hedge, net | 2.11 | (24) | 11 |
| Exchange differences on translation of foreign operations | | 357 | 226 |
| Fair value changes on investments, net | 2.5 | 199 | 144 |
| | | **532** | **381** |
| **Total other comprehensive income /(loss), net of tax** | | **459** | **520** |
| | | | |
| **Total comprehensive income for the period** | | **27,209** | **26,768** |
| | | | |
| **Profit attributable to:** | | | |
| Owners of the Company | | 26,713 | 26,233 |
| Non-controlling interests | | 37 | 15 |
| | | **26,750** | **26,248** |
| **Total comprehensive income attributable to:** | | | |
| Owners of the Company | | 27,167 | 26,754 |
| Non-controlling interests | | 42 | 14 |
| | | **27,209** | **26,768** |
| **Earnings per equity share** | | | |
| Equity shares of par value ₹5/- each | | | |
| Basic (₹) | 2.23 | 64.50 | 63.39 |
| Diluted (₹) | 2.23 | 64.34 | 63.29 |
| Weighted average equity shares used in computing earnings per equity share | | | |
| Basic (in shares) | 2.23 | 4,141,611,738 | 4,138,568,090 |
| Diluted (in shares) | 2.23 | 4,152,051,184 | 4,144,680,425 |

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

*As per our report of even date attached*

*for* Deloitte Haskins & Sells LLP
*Chartered Accountants*
Firm's Registration No :
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*for and on behalf of the Board of Directors of Infosys Limited*

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*DIN: 00019437*

Bengaluru
April 17, 2025

Jayesh Sanghrajka
*Chief Financial Officer*

A.G.S. Manikantha
*Company Secretary*
Membership No. A21918

**INFOSYS LIMITED AND SUBSIDIARIES**

**Consolidated Statement of Changes in Equity**

*(In ₹ crore)*

| Particulars | OTHER EQUITY | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Reserves & Surplus | | | | | | | | Other comprehensive income | | | | Total equity attributable to equity holders of the Company | Non-controlling interest | Total equity |
| | Equity Share capital [1] | Capital reserve | Capital redemption reserve | Securities Premium | Retained earnings | General reserve | Share Options Outstanding Account | Special Economic Zone Re-investment reserve [2] | Other reserves [3] | Equity instruments through other comprehensive income | Exchange differences on translating the financial statements of a | Effective portion of Cash Flow Hedges | Other items of other comprehensive income / (loss) | | | |
| **Balance as at April 1, 2023** | **2,069** | **54** | **169** | **166** | **58,957** | **1,054** | **878** | **10,014** | **19** | **247** | **2,325** | **(5)** | **(540)** | **75,407** | **388** | **75,795** |
| **Changes in equity for the year ended March 31, 2024** | | | | | | | | | | | | | | | | |
| Profit for the period | — | — | — | — | 26,233 | — | — | — | — | — | — | — | — | 26,233 | 15 | 26,248 |
| Remeasurement of the net defined benefit liability/asset, net* (Refer to Note 2.22) | — | — | — | — | — | — | — | — | — | — | — | — | 120 | 120 | — | 120 |
| Equity instruments through other comprehensive income, net* (Refer to Notes 2.5 and 2.17) | — | — | — | — | — | — | — | — | — | 19 | — | — | — | 19 | — | 19 |
| Fair value changes on derivatives designated as cash flow hedge, net* (Refer to Note 2.11) | — | — | — | — | — | — | — | — | — | — | — | 11 | — | 11 | — | 11 |
| Exchange differences on translation of foreign operations | — | — | — | — | — | — | — | — | — | — | 227 | — | — | 227 | (1) | 226 |
| Fair value changes on investments, net* (Refer to Notes 2.5 and 2.17) | — | — | — | — | — | — | — | — | — | — | — | — | 144 | 144 | — | 144 |
| **Total Comprehensive income for the period** | **—** | **—** | **—** | **—** | **26,233** | **—** | **—** | **—** | **—** | **19** | **227** | **11** | **264** | **26,754** | **14** | **26,768** |
| Shares issued on exercise of employee stock options *(Refer to Note 2.12)* | 2 | — | — | 3 | — | — | — | — | — | — | — | — | — | 5 | — | 5 |
| Employee stock compensation expense *(Refer to Note 2.12)* | — | — | — | — | — | — | 639 | — | — | — | — | — | — | 639 | — | 639 |
| Transferred on account of exercise of stock options (Refer to note 2.12) | — | — | — | 447 | — | — | (447) | — | — | — | — | — | — | — | — | — |
| Transferred on account of options not exercised | — | — | — | — | — | 160 | (160) | — | — | — | — | — | — | — | — | — |
| Income tax benefit arising on exercise of stock options | — | — | — | — | — | — | 3 | — | — | — | — | — | — | 3 | — | 3 |
| Transfer to legal reserve | — | — | — | — | (3) | — | — | — | 3 | — | — | — | — | — | | — |
| Dividends [1] | — | — | — | — | (14,692) | — | — | — | — | — | — | — | — | (14,692) | — | (14,692) |
| Dividends paid to non controlling interest of subsidiary | — | — | — | — | — | — | — | — | — | — | — | — | — | — | (39) | (39) |
| Buyback of shares pertaining to non controlling interest of subsidiary | — | — | — | — | — | — | — | — | — | — | — | — | — | — | (18) | (18) |
| Transferred to Special Economic Zone Re-investment reserve | — | — | — | — | (2,957) | — | — | 2,957 | — | — | — | — | — | — | — | — |
| Transferred from Special Economic Zone Re-investment reserve on utilization | — | — | — | — | 867 | — | — | (867) | — | — | — | — | — | — | — | — |
| **Balance as at March 31, 2024** | **2,071** | **54** | **169** | **616** | **68,405** | **1,214** | **913** | **12,104** | **22** | **266** | **2,552** | **6** | **(276)** | **88,116** | **345** | **88,461** |

**Consolidated Statement of Changes in Equity (contd.)**

*(In ₹ crore)*

| Particulars | OTHER EQUITY | | | | | | | | | | | | | Total equity attributable to equity holders of the Company | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Reserves & Surplus | | | | | | | | Other comprehensive income | | | | | | |
| | Equity Share capital [1] | Capital reserve | Capital redemption reserve | Securities Premium | Retained earnings | General reserve | Share Options Outstanding Account | Special Economic Zone Re-investment reserve [2] | Other reserves [3] | Equity instruments through other comprehensive income | Exchange differences on translating the financial statements of a | Effective portion of Cash Flow Hedges | Other items of other comprehensive income / (loss) | | | |
| **Balance as at April 1, 2024** | **2,071** | **54** | **169** | **616** | **68,405** | **1,214** | **913** | **12,104** | **22** | **266** | **2,552** | **6** | **(276)** | **88,116** | **345** | **88,461** |
| **Changes in equity for the year ended March 31, 2025** | | | | | | | | | | | | | | | | |
| Profit for the period | — | — | — | — | 26,713 | — | — | — | — | — | — | — | — | 26,713 | 37 | 26,750 |
| Remeasurement of the net defined benefit liability/asset, net* (Refer to Note 2.22) | — | — | — | — | — | — | — | — | — | — | — | — | (92) | (92) | — | (92) |
| Equity instruments through other comprehensive income, net* (Refer to Notes 2.5 and 2.17) | — | — | — | — | — | — | — | — | — | 19 | — | — | — | 19 | — | 19 |
| Fair value changes on derivatives designated as cash flow hedge, net* (Refer to Note 2.11) | — | — | — | — | — | — | — | — | — | — | — | (24) | — | (24) | — | (24) |
| Exchange differences on translation of foreign operations | — | — | — | — | — | — | — | — | — | — | 352 | — | — | 352 | 5 | 357 |
| Fair value changes on investments, net* (Refer to Notes 2.5 and 2.17) | — | — | — | — | — | — | — | — | — | — | — | — | 199 | 199 | — | 199 |
| **Total Comprehensive income for the period** | **—** | **—** | **—** | **—** | **26,713** | **—** | **—** | **—** | **—** | **19** | **352** | **(24)** | **107** | **27,167** | **42** | **27,209** |
| Shares issued on exercise of employee stock options *(Refer to Note 2.12)* | 2 | — | — | 4 | — | — | — | — | — | — | — | — | — | 6 | — | 6 |
| Employee stock compensation expense *(Refer to Note 2.12)* | — | — | — | — | — | — | 785 | — | — | — | — | — | — | 785 | — | 785 |
| Transferred on account of exercise of stock options (Refer to Note 2.12) | — | — | — | 471 | — | — | (471) | — | — | — | — | — | — | — | — | — |
| Transferred on account of options not exercised | — | — | — | — | — | 198 | (198) | — | — | — | — | — | — | — | — | — |
| Income tax benefit arising on exercise of stock options | — | — | — | — | — | — | 39 | — | — | — | — | — | — | 39 | — | 39 |
| Transfer to legal reserve | — | — | — | — | (2) | — | — | — | 2 | — | — | — | — | — | — | — |
| Dividends [1] | — | — | — | — | (20,295) | — | — | — | — | — | — | — | — | (20,295) | — | (20,295) |
| Dividends paid to non controlling interest of subsidiary | — | — | — | — | — | — | — | — | — | — | — | — | — | — | (2) | (2) |
| Transferred to Special Economic Zone Re-investment reserve | — | — | — | — | (74) | — | — | 74 | — | — | — | — | — | — | — | — |
| Transferred from Special Economic Zone Re-investment reserve to retained earnings | — | — | — | — | 2,999 | — | — | (2,999) | — | — | — | — | — | — | — | — |
| Transferred from Special Economic Zone Re-investment reserve on utilization | — | — | — | — | 881 | — | — | (881) | — | — | — | — | — | — | — | — |
| **Balance as at March 31, 2025** | **2,073** | **54** | **169** | **1,091** | **78,627** | **1,412** | **1,068** | **8,298** | **24** | **285** | **2,904** | **(18)** | **(169)** | **95,818** | **385** | **96,203** |

** Net of tax*

*[1] Net of treasury shares*

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

*[3] Under the Swiss Code of Obligation, few subsidiaries of Infosys Consulting are required to appropriate a certain percentage of the annual profit to legal reserve which may be used only to cover losses or for measures designed to sustain the Company through difficult times, to prevent unemployment or to mitigate its consequences.*

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

*As per our report of even date attached*

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

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

Vikas Bagaria
*Partner*
Membership No. 060408

Nandan M. Nilekani
*Chairman*
DIN: 00041245

Salil Parekh
*Chief Executive Officer*
*and Managing Director*
DIN: 01876159

Bobby Parikh
*Director*
DIN: 00019437

Bengaluru
April 17, 2025

Jayesh Sanghrajka
*Chief Financial Officer*

A.G.S. Manikantha
*Company Secretary*
Membership No. A21918

## INFOSYS LIMITED AND SUBSIDIARIES

### Consolidated Statement of Cash Flows

#### Accounting policy

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

*(In ₹ crore)*

| Particulars | Note No. | Year ended March 31, | |
|---|---|---|---|
| | | 2025 | 2024 |
| **Cash flow from operating activities** | | | |
| Profit for the year | | 26,750 | 26,248 |
| **Adjustments to reconcile net profit to net cash provided by operating activities:** | | | |
| Income tax expense | 2.17 | 10,858 | 9,740 |
| Depreciation and amortization | 2.2, 2.4.2 and 2.21 | 4,812 | 4,678 |
| Interest and dividend income | 2.19 | (2,570) | (2,067) |
| Finance cost | | 416 | 470 |
| Impairment loss recognized / (reversed) under expected credit loss model | | 48 | 121 |
| Exchange differences on translation of assets and liabilities, net | | 79 | 76 |
| Stock compensation expense | 2.12 | 802 | 652 |
| Interest receivable on income tax refund | | (327) | (1,934) |
| Provision for post sale client support | | (110) | 75 |
| Other adjustments | | 833 | 1,464 |
| **Changes in assets and liabilities** | | | |
| Trade receivables and unbilled revenue | | (1,769) | (2,667) |
| Loans, other financial assets and other assets | | (1,024) | (1,172) |
| Trade payables | | 176 | 91 |
| Other financial liabilities, other liabilities and provisions | | 2,322 | (1,334) |
| **Cash generated from operations** | | **41,296** | **34,441** |
| Income taxes paid | | (5,602) | (9,231) |
| **Net cash generated by operating activities** | | **35,694** | **25,210** |
| **Cash flows from investing activities** | | | |
| Expenditure on property, plant and equipment and intangibles | | (2,237) | (2,201) |
| Deposits placed with corporation | | (1,225) | (847) |
| Redemption of deposits placed with Corporation | | 776 | 710 |
| Interest and dividend received | | 2,040 | 1,768 |
| Payment towards acquisition of business, net of cash acquired | 2.1 | (3,155) | — |
| Payment of contingent consideration pertaining to acquisition of business | | — | (101) |
| Other receipts | | 10 | 128 |
| Payments to acquire investments | | | |
| Tax free bonds and government bonds | | (2) | — |
| Liquid mutual fund units | | (73,048) | (66,191) |
| Certificates of deposit | | (6,978) | (8,509) |
| Commercial papers | | (6,403) | (10,387) |
| Non-convertible debentures | | (3,240) | (1,526) |
| Other investments | | (60) | (14) |
| Proceeds on sale of investments | | | |
| Tax free bonds and government bonds | | 109 | 150 |
| Liquid mutual funds units | | 73,987 | 64,767 |
| Certificates of deposit | | 6,688 | 9,205 |
| Commercial papers | | 7,735 | 6,479 |
| Non-convertible debentures | | 2,591 | 1,230 |
| Government securities | | 455 | 304 |
| Equity and preference securities | | — | 26 |
| Other investments | | 11 | — |
| **Net cash used in from investing activities** | | **(1,946)** | **(5,009)** |

| | | | |
|---|---|---|---|
| **Cash flows from financing activities** | | | |
| Payment of lease liabilities | | (2,355) | (2,024) |
| Payment of dividends | | (20,287) | (14,692) |
| Loan repayment of in-tech Holding GmbH *(Refer to Note 2.1)* | | (985) | — |
| Payment of dividend to non-controlling interest of subsidiary | | (2) | (39) |
| Payment towards buyback of shares pertaining to non controlling interest of subsidiary | | — | (18) |
| Shares issued on exercise of employee stock options | | 6 | 5 |
| Other payments | | (538) | (736) |
| **Net cash used in financing activities** | | **(24,161)** | **(17,504)** |
| Net increase / (decrease) in cash and cash equivalents | | 9,587 | 2,697 |
| Effect of exchange rate changes on cash and cash equivalents | | 82 | (84) |
| **Cash and cash equivalents at the beginning of the period** | 2.9 | 14,786 | 12,173 |
| **Cash and cash equivalents at the end of the period** | 2.9 | **24,455** | **14,786** |
| **Supplementary information:** | | | |
| Restricted cash balance | 2.9 | 424 | 348 |

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

*As per our report of even date attached*

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

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

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**INFOSYS LIMITED AND SUBSIDIARIES**

**Overview and notes to the Consolidated Financial Statements**

**1. Overview**

**1.1 Company overview**

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

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

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

The Group's consolidated financial statements are approved for issue by the Company's Board of Directors on April 17, 2025.

**1.2 Basis of preparation of financial statements**

These consolidated financial statements are prepared in accordance with the provisions of the Companies Act, 2013 ("the Act"), guidelines issued by the Securities and Exchange Board of India (SEBI) and Indian Accounting Standard (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values and defined benefit liability/(asset) which is recognized at the present value of defined benefit obligation less fair value of plan assets. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The material accounting policy information used in preparation of the audited consolidated financial statements have been discussed in the respective notes.

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

**1.3 Basis of consolidation**

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

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

Refer to Note 2.25 for the list of subsidiaries and controlled trusts of the Company

**1.4 Use of estimates and judgments**

The preparation of the consolidated 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 consolidated 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. 1.5* . Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates and judgements are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

**1.5 Critical accounting estimates and judgments**

**a. Revenue recognition**

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

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

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

Contracts with customers includes subcontractor services or third-party vendor equipment or software in certain integrated services arrangements. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when the Group is acting as an agent between the customer and the vendor, and gross when the Group is the principal for the transaction. In doing so, the Group first evaluates whether it obtains control of the specified goods or services before they are transferred to the customer. The Group considers whether it is primarily responsible for fulfilling the promise to provide the specified goods or services, inventory risk, pricing discretion and other factors to determine whether it controls the specified goods or services and therefore, is acting as a principal or an agent.

Provisions for estimated losses, if any, on incomplete 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 Group's two major tax jurisdictions are India and the United States, though the Company also files tax returns in other overseas jurisdictions.

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

In assessing the realizability of deferred income tax assets, the Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced *(Refer to Notes 2.17).*

**c. Business combinations and intangible assets**

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires us to fair value identifiable intangible assets and contingent consideration to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. These valuations are conducted by external valuation experts. Estimates are required to be made in determining the value of contingent consideration, value of option arrangements and intangible assets. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the Management *(Refer to Note 2.1 and 2.4.2)* .

**d. Property, plant and equipment**

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology *(Refer to Note 2.2).*

**e. Impairment of Goodwill**

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

The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell. Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises estimated long term growth rates, weighted average cost of capital and estimated operating margins *(Refer to note 2.4.1).*

## 2. Notes to the Consolidated Financial Statements

### 2.1 BUSINESS COMBINATIONS

**Accounting policy**

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

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

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

Business combinations between entities under common control is accounted for at carrying value of the assets acquired and liabilities assumed in the Group's consolidated financial statements.

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

**Acquisition**

**InSemi**

On May 10, 2024, Infosys Ltd acquired 100% voting interests in InSemi Technology Services Private Limited, a semiconductor design services company headquartered in India. This acquisition is expected to strengthen our expertise in semiconductor ecosystem and Engineering R&D services.

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

*(In ₹ crore)*

| Component | Acquiree's carrying amount | Fair value adjustments | Purchase price allocated |
|---|---|---|---|
| Net Assets[(1)] | 40 | - | 40 |
| Intangible assets: | | | |
| Customer related | - | 60 | 60 |
| Brand | - | 13 | 13 |
| Deferred tax liabilities on intangible assets | - | (18) | (18) |
| **Total** | | | **95** |
| Goodwill | | | 103 |
| **Total purchase price** | | | **198** |

[(1)] *Includes cash and cash equivalents acquired of ₹ 41 crore.*

The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill. The primary items that generated this goodwill are the value of the acquired assembled workforce and estimated synergies, neither of which qualify as an intangible asset.

Goodwill is not tax-deductible.

The purchase consideration of ₹198 crore includes cash of ₹168 crore and contingent consideration with an estimated fair value of ₹30 crore as on the date of acquisition.

At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the probabilities assigned towards achievement of financial targets and discount rate of 5.9%. The undiscounted value of contingent consideration as of March 31, 2025 was ₹33 crore.

Additionally, this acquisition has retention bonus and management incentive payable to the employees of the acquiree over three years, subject to their continuous employment with the Group and achievement of financial targets for the respective years. Bonus and incentives are recognized in employee benefit expenses in the Statement of Profit and loss over the period of service.

Fair value of trade receivables acquired is ₹32 crore as of acquisition date and as of March 31, 2025 the amounts are substantially collected.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred. The transaction costs of ₹2 crore related to the acquisition have been included under administrative expenses in the Consolidated Statement of Profit and loss for the three months ended June 30, 2024.

**in-tech Holding GmbH**

On July 17, 2024, Infosys Germany GmbH a wholly owned step down subsidiary of Infosys Limited acquired 100% voting interests in in-tech Holding GmbH, a leading provider of engineering R&D services headquartered in Germany. This acquisition is expected to strengthen Infosys' engineering R&D capabilities and reaffirms its continued commitment to global clients to navigate their digital engineering journey.

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

*(In ₹ crore)*

| Component | Acquiree's carrying amount | Fair value adjustments | Purchase price allocated |
|---|---|---|---|
| Assets[(1)] | 731 | - | 731 |
| Liabilities | (364) | - | (364) |
| Intangible assets: | | | |
| Customer related | - | 1,720 | 1,720 |
| Brand | - | 147 | 147 |
| Deferred tax liabilities on intangible assets | - | (511) | (511) |
| Goodwill | - | - | 2,490 |
| Loan | (985) | | (985) |
| **Total purchase price** | | | **3,228** |
| Loan repayment | | | 985 |
| **Total cash outflow** | | | **4,213** |

[(1)] *Includes cash and cash equivalents acquired of ₹197 crore.*

The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill. The primary items that generated this goodwill are the value of the acquired assembled workforce and estimated synergies, neither of which qualify as an intangible asset.

Goodwill is not tax-deductible.

The total purchase consideration of EUR 356 million (₹3,228 crore) comprises the cash consideration paid to selling shareholders at the acquisition date.

Additionally, this acquisition has retention bonus and management incentive payable to the employees of the acquiree over two to five years, subject to their continuous employment with the Group and achievement of financial targets for the respective years. Bonus and incentives are recognized in employee benefit expenses in the Statement of Profit and loss over the period of service.

Fair value of trade receivables acquired is ₹139 crore as of acquisition date and as of March 31, 2025 the amounts are substantially collected.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred. The transaction costs of ₹4 crore related to the acquisition have been included under administrative expenses in the Consolidated Statement of Profit and loss for the quarter ended September 30, 2024.

**Proposed acquisitions**

On April 17, 2025, Infosys Singapore Pte Ltd., a wholly-owned step down subsidiary of Infosys Limited, entered into a definitive agreement to acquire 100% of the equity share capital of The Missing Link, a leading Cybersecurity service provider headquartered in Australia, for a consideration including earn-outs amounting up to AUD 98 million (approximately ₹527 crore) , excluding management incentives, and retention bonus, subject to customary closing adjustments.

On April 17, 2025, Infosys Nova Holdings LLC, a wholly-owned step down subsidiary of Infosys Limited, entered into a definitive agreement to acquire 100% of the partnership interests of MRE Consulting Ltd, a leading Energy Consulting company, headquartered in USA, for a consideration including earn-outs amounting up to $36 million (approximately ₹308 crore) , excluding management incentives, and retention bonus , subject to customary closing adjustments. To consummate this transaction, Infosys Nova Holdings LLC has simultaneously incorporated an entity Infosys Energy Consulting Services LLC.

## 2.2 PROPERTY, PLANT AND EQUIPMENT

**Accounting policy**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The charge in respect of periodic depreciation is derived at after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

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

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

*[(2)] Includes Solar plant with a useful life of 25 years*

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

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

**Impairment**

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

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

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2025 are as follows:

*(In ₹ crore)*

| Particulars | Land - Freehold | Buildings [(1)] | Plant and machinery | Office Equipment | Computer equipment | Furniture and fixtures | Leasehold Improvements | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying value as at April 1, 2024** | **1,432** | **11,770** | **3,428** | **1,528** | **8,611** | **2,326** | **1,447** | **45** | **30,587** |
| Additions | 47 | 43 | 63 | 139 | 1,317 | 93 | 139 | 2 | 1,843 |
| Additions on Business Combinations *(Refer to note 2.1)* | — | 1 | — | 11 | 6 | 23 | — | 2 | 43 |
| Deletions** | — | (113) | (31) | (52) | (633) | (101) | (290) | (1) | (1,221) |
| Translation difference | — | 20 | 1 | 2 | 5 | (1) | 11 | — | 38 |
| **Gross carrying value as at March 31, 2025** | **1,479** | **11,721** | **3,461** | **1,628** | **9,306** | **2,340** | **1,307** | **48** | **31,290** |
| **Accumulated depreciation as at April 1, 2024** | **—** | **(4,921)** | **(2,630)** | **(1,269)** | **(6,380)** | **(1,837)** | **(1,138)** | **(42)** | **(18,217)** |
| Depreciation | — | (444) | (203) | (118) | (1,249) | (187) | (157) | (2) | (2,360) |
| Accumulated depreciation on deletions** | — | 13 | 21 | 51 | 616 | 94 | 286 | 1 | 1,082 |
| Translation difference | — | (6) | (1) | (1) | — | 1 | (10) | — | (17) |
| **Accumulated depreciation as at March 31, 2025** | **—** | **(5,358)** | **(2,813)** | **(1,337)** | **(7,013)** | **(1,929)** | **(1,019)** | **(43)** | **(19,512)** |
| **Carrying value as at April 1, 2024** | **1,432** | **6,849** | **798** | **259** | **2,231** | **489** | **309** | **3** | **12,370** |
| **Carrying value as at March 31, 2025** | **1,479** | **6,363** | **648** | **291** | **2,293** | **411** | **288** | **5** | **11,778** |

** During the year ended March 31, 2025, certain assets which were not in use having gross book value of ₹513 crore (net book value: Nil) were retired.

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2024 are as follows:

*(In ₹ crore)*

| Particulars | Land - Freehold | Buildings [1] | Plant and machinery | Office Equipment | Computer equipment | Furniture and fixtures | Leasehold Improvements | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying value as at April 1, 2023** | **1,431** | **11,562** | **3,302** | **1,482** | **8,519** | **2,303** | **1,445** | **45** | **30,089** |
| Additions | 1 | 300 | 193 | 106 | 931 | 121 | 108 | 1 | 1,761 |
| Deletions* | — | (55) | (64) | (60) | (846) | (99) | (102) | (1) | (1,227) |
| Translation difference | — | (37) | (3) | — | 7 | 1 | (4) | — | (36) |
| **Gross carrying value as at March 31, 2024** | **1,432** | **11,770** | **3,428** | **1,528** | **8,611** | **2,326** | **1,447** | **45** | **30,587** |
| **Accumulated depreciation as at April 1, 2023** | **—** | **(4,535)** | **(2,437)** | **(1,198)** | **(5,826)** | **(1,675)** | **(1,032)** | **(40)** | **(16,743)** |
| Depreciation | **—** | (450) | (259) | (130) | (1,387) | (250) | (206) | (3) | (2,685) |
| Accumulated depreciation on deletions* | **—** | 55 | 64 | 59 | 836 | 89 | 97 | 1 | 1,201 |
| Translation difference | **—** | 9 | 2 | — | (3) | (1) | 3 | **—** | 10 |
| **Accumulated depreciation as at March 31, 2024** | **—** | **(4,921)** | **(2,630)** | **(1,269)** | **(6,380)** | **(1,837)** | **(1,138)** | **(42)** | **(18,217)** |
| **Carrying value as at April 1, 2023** | **1,431** | **7,027** | **865** | **284** | **2,693** | **628** | **413** | **5** | **13,346** |
| **Carrying value as at March 31, 2024** | **1,432** | **6,849** | **798** | **259** | **2,231** | **489** | **309** | **3** | **12,370** |

* During the year ended March 31, 2024, certain assets which were not in use having gross book value of ₹775 crore (net book value: Nil) were retired.

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

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

Repairs and maintenance costs are recognized in the Consolidated Statement of Profit and Loss when incurred.

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), the Company was required to transfer its CSR capital assets installed prior to January 2021. Towards this the Company had incorporated a subsidiary 'Infosys Green Forum' (IGF) under Section 8 of the Companies Act, 2013. During the year ended March 31, 2022 the Company had completed the transfer of assets upon obtaining the required approvals from regulatory authorities, as applicable. During March 31, 2024, the application filed by IGF for registration u/s.12AB of the Income Tax Act was rejected and registration cancelled. IGF has filed an appeal against this order before Income Tax Appellate Tribunal.

### 2.3 CAPITAL WORK-IN-PROGRESS

The changes in capital work-in-progress for the year ended March 31, 2025 and March 31, 2024 are as follows:

*(In ₹ crore)*

| Particulars | As at | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| **Balance at the beginning** | **293** | **288** |
| Additions during the year | 2,316 | 1,764 |
| Capitalised during the year | (1,796) | (1,760) |
| Translation difference | 1 | 1 |
| **Balance at the end** | **814** | **293** |

Capital work-in-progress ageing schedule for the year ended March 31, 2025 and *March 31, 2024* :

*(In ₹ crore)*

| Particulars | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 576 | 204 | 22 | 12 | 814 |
| | *259* | *22* | *1* | *11* | *293* |
| **Total Capital work-in-progress** | **576** | **204** | **22** | **12** | **814** |
| | *259* | *22* | *1* | *11* | *293* |

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of March 31, 2025 and *March 31, 2024* :

(In ₹ crore)

| Particulars | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **Projects in progress** | | | | | |
| NO-SZ-SDB | 256 | - | - | - | 256 |
| | - | - | - | - | - |
| **Total Capital work-in-progress*** | **256** | **-** | **-** | **-** | **256** |
| | **-** | **-** | **-** | **-** | **-** |

* There are no subsidiaries in the group having more than 10% of the total capital work in progress.

## 2.4 GOODWILL AND OTHER INTANGIBLE ASSETS

### 2.4.1 Goodwill

**Accounting policy**

Goodwill represents the purchase consideration in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds purchase consideration, the fair value of net assets acquired is reassessed and the bargain purchase gain is recognized in capital reserve. Goodwill is measured at cost less accumulated impairment losses.

**Impairment**

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Key assumptions in the cash flow projections are prepared based on current economic conditions and includes estimated long term growth rates, weighted average cost of capital and estimated operating margins.

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

*(In ₹ crore)*

| Particulars | As at | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| **Carrying value at the beginning** | **7,303** | **7,248** |
| Goodwill on acquisitions *(Refer to note 2.1)* | 2,593 | — |
| Translation differences | 210 | 55 |
| **Carrying value at the end** | **10,106** | **7,303** |

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

The allocation of goodwill to operating segments as at March 31, 2025 and March 31, 2024 is as follows:

*(In ₹ crore)*

| Segment | As at | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| Financial services | 1,510 | 1,476 |
| Retail | 961 | 939 |
| Communication | 691 | 675 |
| Energy, Utilities, Resources and Services | 1,337 | 1,160 |
| Manufacturing | 2,986 | 578 |
| Life Sciences | 975 | 951 |
| | **8,460** | **5,779** |
| Operating segments without significant goodwill | 650 | 552 |
| **Total** | **9,110** | **6,331** |

The goodwill pertaining to Panaya amounting to ₹996 crore and ₹972 crore as at March 31, 2025 and March 31, 2024, respectively is tested for impairment at the entity level.

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

(in %)

| | As at | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| Long term growth rate | 7-10 | 7-10 |
| Operating margins | 19-21 | 19-21 |
| Discount rate | 13 | 13 |

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. As at March 31, 2025, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units.

### 2.4.2 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 Group has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labor, overhead costs that are directly attributable to prepare the asset for its intended use.

**Impairment**

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

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

The changes in the carrying value of acquired intangible assets for the year ended March 31, 2025 are as follows :

*(In ₹ crore)*

| Particulars | Customer related | Software related | Intellectual property rights related | Brand or Trademark Related | Others* | Total |
|---|---|---|---|---|---|---|
| **Gross carrying value as at April 1, 2024** | **2,512** | **1,110** | **1** | **349** | **782** | **4,754** |
| Additions | - | 143 | - | - | - | 143 |
| Acquisition through business combination *(Refer to Note 2.1)* | 1,780 | - | - | 160 | - | 1,940 |
| Deletions | - | - | - | - | - | - |
| Translation difference | 91 | 27 | - | 10 | 19 | 147 |
| **Gross carrying value as at March 31, 2025** | **4,383** | **1,280** | **1** | **519** | **801** | **6,984** |
| **Accumulated amortization as at April 1, 2024** | **(1,800)** | **(765)** | **(1)** | **(235)** | **(556)** | **(3,357)** |
| Amortization expense[#] | (530) | (87) | - | (50) | (110) | (777) |
| Deletions | - | - | - | - | - | - |
| Translation differences | (47) | (17) | - | (6) | (14) | (84) |
| **Accumulated amortization as at March 31, 2025** | **(2,377)** | **(869)** | **(1)** | **(291)** | **(680)** | **(4,218)** |
| **Carrying value as at April 1, 2024** | **712** | **345** | **-** | **114** | **226** | **1,397** |
| **Carrying value as at March 31, 2025** | **2,006** | **411** | **-** | **228** | **121** | **2,766** |
| **Estimated Useful Life** *(in years)* | *1-15* | *3-10* | - | *3-10* | *3-7* | |
| **Estimated Remaining Useful Life** *(in years)* | *1-9* | *1-4* | - | *1-6* | *1-3* | |

** Majorly includes intangibles related to vendor relationships*

[#] During the quarter ended March 31, 2025, a decline in the revenue estimates led to the carrying value of the customer related intangibles assets recognized on business combination exceeding the estimated recoverable amount. Consequently, the Company has recognized ₹188 crore as the excess of carrying value over the estimated recoverable value for the quarter ended March 31, 2025.

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2024:

*(In ₹ crore)*

| Particulars | Customer related | Software related | Intellectual property rights related | Brand or Trademark Related | Others* | Total |
|---|---|---|---|---|---|---|
| **Gross carrying value as at April 1, 2023** | **2,507** | **1,031** | **1** | **346** | **774** | **4,659** |
| Additions | - | 79 | - | - | - | 79 |
| Deletions | - | (2) | - | - | - | (2) |
| Translation difference | 5 | 2 | - | 3 | 8 | 18 |
| **Gross carrying value as at March 31, 2024** | **2,512** | **1,110** | **1** | **349** | **782** | **4,754** |
| **Accumulated amortization as at April 1, 2023** | **(1,600)** | **(688)** | **(1)** | **(195)** | **(426)** | **(2,910)** |
| Amortization expense | (194) | (75) | - | (38) | (125) | (432) |
| Deletions | - | 2 | - | | - | 2 |
| Translation differences | (6) | (4) | - | (2) | (5) | (17) |
| **Accumulated amortization as at March 31, 2024** | **(1,800)** | **(765)** | **(1)** | **(235)** | **(556)** | **(3,357)** |
| **Carrying value as at April 1, 2023** | **907** | **343** | **-** | **151** | **348** | **1,749** |
| **Carrying value as at March 31, 2024** | **712** | **345** | **-** | **114** | **226** | **1,397** |
| **Estimated Useful Life** *(in years)* | *1-15* | *3-10* | - | *3-10* | *3-7* | |
| **Estimated Remaining Useful Life** *(in years)* | *1-10* | *1-5* | - | *1-6* | *1-4* | |

** Majorly includes intangibles related to vendor relationships*

The amortization expense has been included under depreciation and amortization expense in the Consolidated Statement of Profit and Loss.

**Research and Development Expenditure**

Research and development expense recognized in the Consolidated Statement of Profit and Loss for the year ended March 31, 2025 and March 31, 2024 was ₹1,296 crore and ₹1,118 crore respectively.

## 2.5 INVESTMENTS

*(In ₹ crore)*

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Non-current Investments** | | |
| **Unquoted** | | |
| **Investments carried at fair value through other comprehensive income** | | |
| Preference securities | 167 | 91 |
| Equity instruments | 2 | 2 |
| | **169** | **93** |
| **Investments carried at fair value through profit or loss** | | |
| Target maturity fund units | 465 | 431 |
| Equity and Preference securities | 25 | — |
| Others [(1)] | 196 | 198 |
| | **686** | **629** |
| **Quoted** | | |
| **Investments carried at amortized cost** | | |
| Government bonds | 16 | 28 |
| Tax free bonds | 1,465 | 1,731 |
| | **1,481** | **1,759** |
| **Investments carried at fair value through other comprehensive income** | | |
| Non convertible debentures | 3,320 | 2,217 |
| Equity securities | 57 | 113 |
| Government securities | 5,346 | 6,897 |
| | **8,723** | **9,227** |
| **Total non-current investments** | **11,059** | **11,708** |
| **Current Investments** | | |
| **Unquoted** | | |
| **Investments carried at fair value through profit or loss** | | |
| Liquid mutual fund units | 1,957 | 2,615 |
| | **1,957** | **2,615** |
| **Investments carried at fair value through other comprehensive income** | | |
| Commercial Paper | 3,641 | 4,830 |
| Certificates of deposit | 3,504 | 3,043 |
| | **7,145** | **7,873** |
| **Quoted** | | |
| **Investments carried at amortized cost** | | |
| Government bonds | 15 | — |
| Tax free bonds | 154 | — |
| | **169** | **—** |
| **Investments carried at fair value through other comprehensive income** | | |
| Non convertible debentures | 1,549 | 1,962 |
| Government securities | 1,662 | 465 |
| | **3,211** | **2,427** |
| **Total current investments** | **12,482** | **12,915** |
| **Total investments** | **23,541** | **24,623** |
| Aggregate amount of quoted investments | 13,584 | 13,413 |
| Market value of quoted investments (including interest accrued), current | 3,369 | 2,428 |
| Market value of quoted investments (including interest accrued), non current | 10,392 | 11,201 |
| Aggregate amount of unquoted investments | 9,957 | 11,210 |
| Investments carried at amortized cost | 1,650 | 1,759 |
| Investments carried at fair value through other comprehensive income | 19,248 | 19,620 |
| Investments carried at fair value through profit or loss | 2,643 | 3,244 |

[(1)] *Uncalled capital commitments outstanding as at March 31, 2025 and March 31, 2024 was ₹122 crore and ₹79 crore, respectively.*

*Refer to Note 2.11 for Accounting policies on Financial Instruments.*

Details of amounts recorded in Other comprehensive income :

*(In ₹ crore)*

| | Year ended March 31, 2025 | | | Year ended March 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Gross | Tax | Net | Gross | Tax | Net |
| **Net Gain/(loss) on** | | | | | | |
| Non-convertible debentures | 54 | (6) | 48 | 62 | 5 | 67 |
| Commercial Paper | 3 | (1) | 2 | - | - | - |
| Certificates of deposit | 3 | (1) | 2 | (1) | - | (1) |
| Government securities | 162 | (15) | 147 | 98 | (20) | 78 |
| Equity and preference securities | 20 | (1) | 19 | 10 | 9 | 19 |

**Method of fair valuation:**

*(In ₹ crore)*

| Class of investment | Method | Fair value as at | |
|---|---|---|---|
| | | March 31, 2025 | March 31, 2024 |
| Liquid mutual fund units - carried at fair value through profit or loss | Quoted price | 1,957 | 2,615 |
| Target maturity fund units - carried at fair value through profit or loss | Quoted price | 465 | 431 |
| Tax free bonds and government bonds - carried at amortized cost | Quoted price and market observable inputs | 1,812 | 1,973 |
| Non-convertible debentures - carried at fair value through other comprehensive income | Quoted price and market observable inputs | 4,869 | 4,179 |
| Government securities - carried at fair value through other comprehensive income | Quoted price and market observable inputs | 7,008 | 7,362 |
| Commercial Papers - carried at fair value through other comprehensive income | Market observable inputs | 3,641 | 4,830 |
| Certificates of deposit - carried at fair value through other comprehensive income | Market observable inputs | 3,504 | 3,043 |
| Quoted Equity securities - carried at fair value through other comprehensive income | Quoted price | 57 | 113 |
| Unquoted equity and preference securities - carried at fair value through profit or loss | Discounted cash flows method, Market multiples method, Option pricing model | 25 | — |
| Unquoted equity and preference securities - carried at fair value through other comprehensive income | Discounted cash flows method, Market multiples method, Option pricing model | 169 | 93 |
| Others - carried at fair value through profit or loss | Discounted cash flows method, Market multiples method, Option pricing model | 196 | 198 |
| **Total** | | **23,703** | **24,837** |

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

**2.5.1 Details of investments**

The details of investments in preference, equity and other instruments at March 31, 2025 and March 31, 2024 are as follows:

*(In ₹ crore, except otherwise stated)*

| Particulars | As at | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| ***Preference securities*** | | |
| **Investments carried at fair value through other comprehensive income** | | |
| Airviz, Inc. | - | - |
| 2,89,695 (2,89,695) Series A Preferred Stock, fully paid up, par value USD 0.001 each | | |
| Whoop, Inc. | 129 | 60 |
| 1,10,59,340 (1,10,59,340) Series B Preferred Stock, fully paid up, par value USD 0.0001 each | | |
| Nivetti Systems Private Limited | 38 | 31 |
| 2,28,501 (2,28,501) Preferred Stock, fully paid up, par value ₹1/- each | | |
| **Investments carried at fair value through profit or loss** | | |
| Galaxeye Space Solutions Private Limited | 17 | - |
| 1,210 (Nil) Series A compulsorily convertible cumulative Preference shares of ₹10/- each, fully paid up | | |
| 4Basecare Precision Health Private Limited | 8 | - |
| 18,850 (Nil) Series A compulsorily convertible cumulative Preference shares of ₹1/- each, fully paid up | | |
| **Total investment in preference securities** | **192** | **91** |
| ***Equity Instruments*** | | |
| **Investments carried at fair value through other comprehensive income** | | |
| 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 Limited | 57 | 113 |
| 16,47,314 (16,47,314) equity shares at ₹10/-, fully paid up | | |
| **Investments carried at fair value through profit or loss** | | |
| Galaxeye Space Solutions Private Limited | - | - |
| 10 (Nil) equity shares at ₹1,36,080/- each, fully paid up, par value ₹10/- each | | |
| **Total investment in equity instruments** | **59** | **115** |
| ***Others - Investments carried at fair value through profit or loss*** | | |
| Stellaris Venture Partners India | 53 | 84 |
| UVC Fonds IV GmbH & Co. KG | 1 | - |
| The House Fund II, L.P. | 102 | 107 |
| The House Fund III, L.P. | 32 | 7 |
| Yali Deeptech Fund I | 8 | - |
| **Total investment in others** | **196** | **198** |
| **Total** | **447** | **404** |

## 2.6 LOANS

*(In ₹ crore)*

| Particulars | As at | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| **Non Current** | | |
| Loans considered good - Unsecured | | |
| Other loans | | |
| Loans to employees | 16 | 34 |
| | **16** | **34** |
| Loans credit impaired - Unsecured | | |
| Other loans | | |
| Loans to employees | 3 | 2 |
| Less: Allowance for credit impairment | (3) | (2) |
| | — | — |
| **Total non-current loans** | **16** | **34** |
| **Current** | | |
| Loans considered good - Unsecured | | |
| Other loans | | |
| Loans to employees | 249 | 248 |
| **Total current loans** | **249** | **248** |
| | | |
| **Total loans** | **265** | **282** |

## 2.7 OTHER FINANCIAL ASSETS

*(In ₹ crore)*

| Particulars | As at | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| **Non Current** | | |
| Security deposits [(1)] | 273 | 259 |
| Unbilled revenues [(1)#] | 2,031 | 1,677 |
| Restricted deposits [(1)*] | 82 | 47 |
| Net investment in lease[(1)] *(Refer to note 2.21)* | 1,106 | 1,114 |
| Others [(1)] | 19 | 8 |
| **Total non-current other financial assets** | **3,511** | **3,105** |
| **Current** | | |
| Security deposits [(1)] | 65 | 75 |
| Restricted deposits [(1)*] | 2,949 | 2,535 |
| Unbilled revenues [(1)#] | 8,183 | 7,923 |
| Interest accrued but not due [(1)] | 842 | 537 |
| Foreign currency forward and options contracts [(2) (3)] | 192 | 84 |
| Net investment in lease[(1)] *(Refer to note 2.21)* | 1,139 | 710 |
| Others [(1)] | 470 | 221 |
| **Total current other financial assets** | **13,840** | **12,085** |
| | | |
| **Total other financial assets** | **17,351** | **15,190** |
| | | |
| [(1)] Financial assets carried at amortized cost | 17,159 | 15,106 |
| [(2)] Financial assets carried at fair value through other comprehensive income | 28 | 23 |
| [(3)] Financial assets carried at fair value through profit or loss | 164 | 61 |

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

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

## 2.8 TRADE RECEIVABLES

*(In ₹ crore)*

| Particulars | As at | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| **Current** | | |
| | | |
| Trade Receivable considered good - Unsecured | 31,670 | 30,713 |
| Less: Allowance for expected credit loss | 512 | 520 |
| Trade Receivable considered good - Unsecured | 31,158 | 30,193 |
| | | |
| Trade Receivable - credit impaired - Unsecured | 206 | 196 |
| Less: Allowance for credit impairment | 206 | 196 |
| Trade Receivable - credit impaired - Unsecured | — | — |
| **Total trade receivables** | **31,158** | **30,193** |

Trade receivables ageing schedule for the year ended as on March 31, 2025 and *March 31, 2024* :

*(In ₹ crore)*

| **Particulars** | **Outstanding for following periods from due date of payment** | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Not Due** | **Less than 6 months** | **6 months to 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| Undisputed Trade receivables – considered good | 23,696 | 7,505 | 202 | 223 | 44 | — | 31,670 |
| | *22,572* | *7,402* | *319* | *414* | *2* | *4* | *30,713* |
| Undisputed Trade receivables – credit impaired | — | 5 | 4 | 6 | 6 | 113 | 134 |
| | *3* | *15* | *7* | *6* | *4* | *106* | *141* |
| Disputed Trade receivables – considered good | — | — | — | — | — | — | — |
| | — | — | — | — | — | — | — |
| Disputed Trade receivables – credit impaired | — | — | — | 43 | 28 | 1 | 72 |
| | — | *1* | *21* | *26* | *2* | *5* | *55* |
| | 23,696 | 7,510 | 206 | 272 | 78 | 114 | 31,876 |
| | *22,575* | *7,418* | *347* | *446* | *8* | *115* | *30,909* |
| Less: Allowance for credit loss | | | | | | | 718 |
| | | | | | | | *716* |
| **Total Trade Receivables** | | | | | | | 31,158 |
| | | | | | | | *30,193* |

## 2.9 CASH AND CASH EQUIVALENTS

*(In ₹ crore)*

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Balances with banks | | |
| In current and deposit accounts | 24,455 | 14,786 |
| Cash on hand | — | — |
| **Total cash and cash equivalents** | **24,455** | **14,786** |
| *Balances with banks in unpaid dividend accounts* | 45 | 37 |
| *Deposit with more than 12 months maturity* | 75 | 57 |

Cash and cash equivalents as at March 31, 2025 and March 31, 2024 include restricted cash and bank balances of ₹424 crore and ₹348 crore respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the company.

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

## 2.10 OTHER ASSETS

*(In ₹ crore)*

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Non-current** | | |
| Capital advances | 208 | 155 |
| Advances other than capital advances | | |
| Others | | |
| Withholding taxes and others | 534 | 673 |
| Unbilled revenues [#] | 201 | 103 |
| Defined benefit plan assets | 297 | 31 |
| Prepaid expenses | 282 | 343 |
| Deferred Contract Cost | | |
| Cost of obtaining a contract | 312 | 129 |
| Cost of fulfillment | 879 | 687 |
| **Total non-current other assets** | **2,713** | **2,121** |
| | | |
| **Current** | | |
| Advances other than capital advances | | |
| Payment to vendors for supply of goods | 413 | 356 |
| Others | | |
| Unbilled revenues [#] | 4,668 | 4,845 |
| Withholding taxes and others | 2,841 | 3,540 |
| Prepaid expenses | 3,080 | 3,329 |
| Deferred Contract Cost | | |
| Cost of obtaining a contract | 343 | 200 |
| Cost of fulfillment | 504 | 358 |
| Other receivables | 91 | 180 |
| **Total current other assets** | **11,940** | **12,808** |
| | | |
| **Total other assets** | **14,653** | **14,929** |

[#] 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 VAT recoverable from tax authorities.

## 2.11 FINANCIAL INSTRUMENTS

**Accounting policy**

**2.11.1 Initial recognition**

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, 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.

**2.11.2 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 carried at fair value through other comprehensive income (FVOCI)***

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has made an irrevocable election for certain 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 carried at fair value through profit or loss (FVTPL)***

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

***(iv) Financial liabilities***

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration and financial liability under option arrangements recognized in a business combination which is subsequently measured at fair value through profit or loss.

**b. Derivative financial instruments**

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

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

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

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

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

***(ii) Cash flow hedge***

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

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

**2.11.3 Derecognition of financial instruments**

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

**2.11.4 Fair value of financial instruments**

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

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

**2.11.5 Impairment**

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets and unbilled revenue which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenues with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considers current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates.

The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recorded is recognized as an impairment loss or gain in Consolidated Statement of Profit and Loss.

**Financial instruments by category**

The carrying value and fair value of financial instruments by categories as at March 31, 2025 are as follows:

*(In ₹ crore)*

| Particulars | Amortized cost | Financial assets/ liabilities at fair value through profit or loss | | Financial assets/liabilities at fair value through OCI | | Total carrying value | Total fair value |
|---|---|---|---|---|---|---|---|
| | | Designated upon initial recognition | Mandatory | Equity instruments designated upon initial recognition | Mandatory | | |
| **Assets:** | | | | | | | |
| Cash and cash equivalents *(Refer to Note 2.9)* | 24,455 | — | — | — | — | 24,455 | 24,455 |
| Investments *(Refer to Note 2.5)* | | | | | | | |
| Equity and preference securities | — | 25 | — | 226 | — | 251 | 251 |
| Tax free bonds and government bonds | 1,650 | — | — | — | — | 1,650 | 1,812 [1] |
| Liquid mutual fund units | — | — | 1,957 | — | — | 1,957 | 1,957 |
| Target maturity fund units | — | — | 465 | — | — | 465 | 465 |
| Non convertible debentures | — | — | — | — | 4,869 | 4,869 | 4,869 |
| Government securities | — | — | — | — | 7,008 | 7,008 | 7,008 |
| Certificates of deposit | — | — | — | — | 3,504 | 3,504 | 3,504 |
| Commercial paper | — | — | — | — | 3,641 | 3,641 | 3,641 |
| Other investments | — | — | 196 | — | — | 196 | 196 |
| Trade receivables *(Refer to Note 2.8)* | 31,158 | — | — | — | — | 31,158 | 31,158 |
| Loans *(Refer to Note 2.6)* | 265 | — | — | — | — | 265 | 265 |
| Other financials assets *(Refer to Note 2.7)* [3] | 17,159 | — | 164 | — | 28 | 17,351 | 17,271 [2] |
| **Total** | **74,687** | **25** | **2,782** | **226** | **19,050** | **96,770** | **96,852** |
| **Liabilities:** | | | | | | | |
| Trade payables (Refer to Note 2.14) | 4,164 | — | — | — | — | 4,164 | 4,164 |
| Lease liabilities (Refer to Note 2.21) | 8,227 | — | — | — | — | 8,227 | 8,227 |
| Financial Liability under option arrangements *(Refer to Note 2.13)* | — | — | 667 | — | — | 667 | 667 |
| Other financial liabilities *(Refer to Note 2.13)* | 16,511 | — | 61 | — | 33 | 16,605 | 16,605 |
| **Total** | **28,902** | **—** | **728** | **—** | **33** | **29,663** | **29,663** |

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

[2] *Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹80 crore*

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

The carrying value and fair value of financial instruments by categories as at March 31, 2024 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 to Note 2.9) | 14,786 | — | — | — | — | 14,786 | 14,786 |
| Investments (Refer to Note 2.5) | | | | | | | |
| Equity and preference securities | — | — | — | 206 | — | 206 | 206 |
| Tax free bonds and government bonds | 1,759 | — | — | — | — | 1,759 | 1,973 [1] |
| Liquid mutual fund units | — | — | 2,615 | — | — | 2,615 | 2,615 |
| Target maturity fund units | — | — | 431 | — | — | 431 | 431 |
| Non convertible debentures | — | — | — | — | 4,179 | 4,179 | 4,179 |
| Government securities | — | — | — | — | 7,362 | 7,362 | 7,362 |
| Commercial paper | — | — | — | — | 4,830 | 4,830 | 4,830 |
| Certificates of deposit | — | — | — | — | 3,043 | 3,043 | 3,043 |
| Other investments | — | — | 198 | — | — | 198 | 198 |
| Trade receivables *(Refer to Note 2.8)* | 30,193 | — | — | — | — | 30,193 | 30,193 |
| Loans *(Refer to Note 2.6)* | 282 | — | — | — | — | 282 | 282 |
| Other financials assets *(Refer to Note 2.7)* [3] | 15,106 | — | 61 | — | 23 | 15,190 | 15,106 [2] |
| **Total** | **62,126** | **—** | **3,305** | **206** | **19,437** | **85,074** | **85,204** |
| **Liabilities:** | | | | | | | |
| Trade payables (Refer to Note 2.14) | 3,956 | — | — | — | — | 3,956 | 3,956 |
| Lease liabilities *(Refer to Note 2.21)* | 8,359 | — | — | — | — | 8,359 | 8,359 |
| Financial Liability under option arrangements *(Refer to Note 2.13)* | — | — | 597 | — | — | 597 | 597 |
| Other financial liabilities *(Refer to Note 2.13)* | 15,750 | — | 30 | — | 1 | 15,781 | 15,781 |
| **Total** | **28,065** | **—** | **627** | **—** | **1** | **28,693** | **28,693** |

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

[2] *Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹84 crore*

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

For trade receivables, trade payables, other assets and payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

**Fair value hierarchy**

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2025 is as follows:

*(In ₹ crore)*

| Particulars | As at March 31, 2025 | Fair value measurement at end of the reporting period using | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| **Assets** | | | | |
| **Investments (Refer to note 2.5)** | | | | |
| Investments in liquid mutual fund units | 1,957 | 1,957 | — | — |
| Investments in target maturity fund units | 465 | 465 | — | — |
| Investments in tax free bonds | 1,781 | 1,227 | 554 | — |
| Investments in government bonds | 31 | 31 | — | — |
| Investments in non convertible debentures | 4,869 | 4,869 | — | — |
| Investment in government securities | 7,008 | 6,972 | 36 | — |
| Investments in commercial paper | 3,641 | — | 3,641 | — |
| Investments in certificates of deposit | 3,504 | — | 3,504 | — |
| Investments in equity instruments | 59 | 57 | — | 2 |
| Investments in preference securities | 192 | — | — | 192 |
| Other investments | 196 | — | — | 196 |
| **Others** | | | | |
| Derivative financial instruments - gain *(Refer to Note 2.13)* | 192 | — | 192 | — |
| **Liabilities** | | | | |
| Derivative financial instruments - loss *(Refer to Note 2.13)* | 63 | — | 63 | — |
| Financial liability under option arrangements *(Refer to Note 2.13)* [1] | 667 | — | — | 667 |
| Liability towards contingent consideration *(Refer to Note 2.13)* [2] | 31 | — | — | 31 |

[1] *Discount rate ranges from 9% to 15%*

[2] *Discount rate - 6%*

During the year ended March 31, 2025, government securities and non convertible debentures of ₹297 crore was transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price. Further, tax free bonds of ₹554 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 measured at fair value on a recurring basis as at March 31, 2024 was as follows:

*(In ₹ crore)*

| Particulars | As at March 31, 2024 | Fair value measurement at end of the reporting period using | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| **Assets** | | | | |
| **Investments (Refer to note 2.5)** | | | | |
| Investments in liquid mutual fund units | 2,615 | 2,615 | — | — |
| Investments in target maturity fund units | 431 | 431 | — | — |
| Investments in tax free bonds | 1,944 | 1,944 | — | — |
| Investments in government bonds | 29 | 29 | — | — |
| Investments in non convertible debentures | 4,179 | 3,922 | 257 | — |
| Investment in government securities | 7,362 | 7,289 | 73 | — |
| Investments in equity instruments | 115 | 113 | — | 2 |
| Investments in preference securities | 91 | — | — | 91 |
| Investments in commercial paper | 4,830 | — | 4,830 | — |
| Investments in certificates of deposit | 3,043 | — | 3,043 | — |
| Other investments | 198 | — | — | 198 |
| **Others** | | | | |
| Derivative financial instruments - gain *(Refer to Note 2.13)* | 84 | — | 84 | — |
| **Liabilities** | | | | |
| Derivative financial instruments - loss *(Refer to Note 2.13)* | 31 | — | 31 | — |
| Financial liability under option arrangements *(Refer to Note 2.13)* [(1)] | 597 | — | — | 597 |

[(1)] *Discount rate ranges from 9% to 15%*

During the year ended March 31, 2024, government securities , non convertible debentures and tax free bonds of ₹2,143 crore was transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price. Further, government securities of ₹ 73 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 Group are fair valued based on Level 1 or Level 2 inputs. These investments primarily include investment in liquid mutual fund units, target maturity fund units, tax-free bonds, certificates of deposit, commercial papers, treasury bills, government securities, non-convertible debentures, quoted bonds issued by government and quasi-government organizations. The Group invests after considering counterparty risks based on multiple criteria including Tier I capital, Capital Adequacy Ratio, Credit Rating, Profitability, NPA levels and Deposit base of banks and financial institutions. These risks are monitored regularly as per Group's risk management program.

**Financial risk management**

**Financial risk factors**

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

**Market risk**

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

The following table analyses the foreign currency risk from financial assets and liabilities as at March 31, 2025:

*(In ₹ crore)*

| Particulars | U.S. dollars | Euro | United Kingdom Pound Sterling | Australian dollars | Other currencies | Total |
|---|---|---|---|---|---|---|
| Net financial assets | 26,821 | 11,791 | 2,228 | 1,356 | 3,090 | 45,286 |
| Net financial liabilities | (13,154) | (3,766) | (1,026) | (706) | (2,161) | (20,813) |
| **Total** | **13,667** | **8,025** | **1,202** | **650** | **929** | **24,473** |

The following table analyses the foreign currency risk from financial assets and liabilities as at March 31, 2024:

*(In ₹ crore)*

| Particulars | U.S. dollars | Euro | United Kingdom Pound Sterling | Australian dollars | Other currencies | Total |
|---|---|---|---|---|---|---|
| Net financial assets | 26,126 | 9,559 | 2,153 | 1,479 | 2,917 | 42,234 |
| Net financial liabilities | (11,925) | (3,378) | (710) | (813) | (2,218) | (19,044) |
| **Total** | **14,201** | **6,181** | **1,443** | **666** | **699** | **23,190** |

**Sensitivity analysis between Indian rupee and U.S. Dollar**

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| Impact on the Group's incremental operating margins | 0.43% | 0.43% |

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

**Derivative financial instruments**

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

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

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | In million | In ₹ crore | In million | In ₹ crore |
| **Derivatives designated as cash flow hedges** | | | | |
| **Forward contracts** | | | | |
| In Swiss Franc | 53 | 513 | - | - |
| In Euro | - | - | 30 | 270 |
| **Option Contracts** | | | | |
| In Euro | 341 | 3,140 | 236 | 2,121 |
| In Australian dollars | 93 | 500 | 106 | 573 |
| In United Kingdom Pound Sterling | 17 | 188 | 35 | 368 |
| **Other derivatives** | | | | |
| **Forward contracts** | | | | |
| In U.S. dollars | 1,284 | 10,976 | 1,423 | 11,866 |
| In Euro | 698 | 6,432 | 574 | 5,163 |
| In Singapore dollars | 133 | 849 | 171 | 1,046 |
| In United Kingdom Pound Sterling | 53 | 589 | 86 | 902 |
| In Swiss Franc | 51 | 495 | 17 | 158 |
| In Danish Krone | 152 | 188 | 100 | 121 |
| In New Zealand dollars | 37 | 181 | 30 | 149 |
| In Norwegian Krone | 167 | 136 | 130 | 100 |
| In Australian dollars | 24 | 126 | 14 | 75 |
| In Philippine Peso | 500 | 75 | - | - |
| In Czech Koruna | 176 | 64 | 374 | 135 |
| In Hungarian Forint | 2,000 | 44 | 2,500 | 57 |
| In Hongkong dollar | 40 | 44 | - | - |
| In Canadian dollars | - | - | 15 | 92 |
| In Chinese Yuan | - | - | 43 | 49 |
| In South African rand | - | - | 85 | 37 |
| **Option Contracts** | | | | |
| In U.S. dollars | 796 | 6,800 | 543 | 4,527 |
| In Euro | 179 | 1,648 | 100 | 897 |
| In Australian dollars | 11 | 57 | 20 | 111 |
| **Total forwards and options contracts** | | **33,045** | | **28,817** |

The group recognized a net loss of ₹99 crore during the year ended March 31, 2025 and a net gain of ₹186 crore for the year ended March 31, 2024, respectively, on derivative financial instruments not designated as cash flow hedges which are included in other income.

The foreign exchange forward and option contracts mature within 12 months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as at the Balance Sheet date:

*(In ₹ crore)*

| Particulars | As at | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| Not later than one month | 15,506 | 10,877 |
| Later than one month and not later than three months | 16,641 | 15,963 |
| Later than three months and not later than one year | 898 | 1,977 |
| **Total** | **33,045** | **28,817** |

During the year ended March 31, 2025 and March 31, 2024, the Group has designated certain foreign exchange forward and option contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedges as of March 31, 2025 are expected to occur and will be reclassified to the Consolidated Statement of Profit and Loss within 3 months.

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

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

The following table provides reconciliation of cash flow hedge reserve for the year ended March 31, 2025 and March 31, 2024:

*(In ₹ crore)*

| **Particulars** | **Year ended March 31,** | |
|---|---|---|
| | **2025** | **2024** |
| **Gain/(Loss)** | | |
| Balance at the beginning of the year | 6 | (5) |
| Gain / (Loss) recognized in other comprehensive income during the year | (5) | 8 |
| Amount reclassified to profit or loss during the year | (27) | 7 |
| Tax impact on above | 8 | (4) |
| **Balance at the end of the year** | **(18)** | **6** |

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

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

*(In ₹ crore)*

| **Particulars** | **As at March 31, 2025** | | **As at March 31, 2024** | |
|---|---|---|---|---|
| | **Derivative financial asset** | **Derivative financial liability** | **Derivative financial asset** | **Derivative financial liability** |
| Gross amount of recognized financial asset/liability | 250 | (121) | 98 | (45) |
| Amount set off | (58) | 58 | (14) | 14 |
| **Net amount presented in Balance Sheet** | **192** | **(63)** | **84** | **(31)** |

**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 ₹31,158 crore and ₹30,193 crore as at March 31, 2025 and March 31, 2024, respectively and unbilled revenues amounting to ₹15,083 crore and ₹14,548 crore as at March 31, 2025 and March 31, 2024, respectively. Trade receivables and unbilled revenues are typically unsecured and are derived from revenues from customers primarily located in the United States of America and Europe. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. This matrix takes into account credit reports and other related credit information to the extent available.

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

The following table gives details in respect of percentage of revenues generated from top five customers and top ten customers:

*(In %)*

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| Revenue from five top customers | 13.2 | 13.3 |
| Revenue from top ten customers | 20.5 | 20.0 |

**Credit risk exposure**

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

The allowance for lifetime ECL on customer balances for the year ended March 31, 2025 and March 31, 2024 was ₹108 crore and ₹90 crore, respectively.

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

*(In ₹ crore)*

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| Balance at the beginning | 953 | 961 |
| Impairment loss recognized/ (reversed), net | 108 | 90 |
| Amounts written off | (91) | (98) |
| Translation differences | 3 | - |
| **Balance at the end** | **973** | **953** |

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

**Credit exposure**

*(In ₹ crore)*

| Particulars | As at | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| Trade receivables | 31,158 | 30,193 |
| Unbilled revenues | 15,082 | 14,548 |

Days sales outstanding was 69 days and 71 days as of March 31, 2025 and March 31, 2024, respectively.

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

The investments of the Group primarily include investment in liquid mutual fund units, target maturity fund units, tax free bonds, certificates of deposit, commercial paper, treasury bills, government securities, non-convertible debentures, quoted bonds issued by government and quasi government organizations. The Group invests after considering counterparty risks based on multiple criteria including Tier I Capital, Capital Adequacy Ratio, credit rating, profitability, NPA levels and deposit base of banks and financial institutions. These risks are monitored regularly as per Group's risk management program.

**Liquidity risk**

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

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

As at March 31, 2025, the Group had a working capital of ₹54,249 crore including cash and cash equivalents of ₹24,455 crore and current investments of ₹12,482 crore. As at March 31, 2024, the Group had a working capital of ₹50,638 crore including cash and cash equivalents of ₹14,786 crore and current investments of ₹12,915 crore.

As at March 31, 2025 and March 31, 2024, the outstanding compensated absences were ₹3,007 crore and ₹2,711 crore, respectively, which have been substantially funded. Accordingly no liquidity risk is perceived.

Refer to Note 2.21 Leases for remaining contractual maturities of lease liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2025:

*(In ₹ crore)*

| Particulars | Less than 1 year | 1-2 years | 2-4 years | 4-7 years | Total |
|---|---|---|---|---|---|
| Trade payables | 4,164 | - | - | - | 4,164 |
| Other financial liabilities (excluding liability towards contingent consideration) on an undiscounted basis (Refer to Note 2.13) | 14,606 | 1,750 | 145 | 12 | 16,513 |
| Financial liability under option arrangements on an undiscounted basis (Refer to Note 2.13) | 612 | - | 149 | - | 761 |
| Liability towards contingent consideration on an undiscounted basis (Refer to Note 2.13) | 12 | 21 | - | - | 33 |

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2024:

*(In ₹ crore)*

| Particulars | Less than 1 year | 1-2 years | 2-4 years | 4-7 years | Total |
|---|---|---|---|---|---|
| Trade payables | 3,956 | - | - | - | 3,956 |
| Other financial liabilities (excluding liability towards contingent consideration) (Refer to Note 2.13) | 13,820 | 1,321 | 570 | 67 | 15,778 |
| Financial liability under option arrangements on an undiscounted basis (Refer to Note 2.13) | 554 | - | - | 136 | 690 |
| Liability towards contingent consideration on an undiscounted basis (Refer to Note 2.13) | - | - | - | - | - |

## 2.12 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.

**Treasury Shares**

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

**Description of reserves**

**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 / retained earnings.

**Retained earnings**

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

**Securities premium**

The amount received in excess of the par value of equity shares has been classified as securities premium. Amounts have been utilized for bonus issue and share buyback from share premium account.

**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.

**Other components of equity**

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

**Currency translation reserve**

The exchange differences arising from the translation of financial statements of foreign subsidiaries with functional currency other than Indian rupees is recognized in other comprehensive income and is presented within equity.

**Cash flow hedge reserve**

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

**EQUITY SHARE CAPITAL**

*(In ₹ crore, except as otherwise stated)*

| Particulars | As at | |
|---|---|---|
| | **March 31, 2025** | **March 31, 2024** |
| **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)] | 2,073 | 2,071 |
| 414,36,07,528 (413,99,50,635) equity shares fully paid-up[(2)] | | |
| | **2,073** | **2,071** |

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

[(1)] *Refer to Note 2.23 for details of basic and diluted shares*

[(2)] *Net of treasury shares 96,55,927 (1,09,16,829)*

The Company has only one class of shares referred to as equity shares having a par value of ₹5/-. Each holder of equity shares is entitled to one vote per share. The equity shares represented by American Depositary Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts. However, no such preferential amounts exist currently, other than the amounts held by irrevocable controlled trusts. For irrevocable controlled trusts, the corpus would be settled in favor of the beneficiaries.

There are no voting, dividend or liquidation rights to the holders of options issued under the company's share option plans

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, 2025:**

**Buyback**

In the period of five years immediately preceding March 31, 2025, the Company had purchased and extinguished a total of 11,62,33,685 fully paid-up equity shares of face value ₹5/- each from the stock exchange. The Company has only one class of equity shares.

**Capital allocation policy**

Effective from financial year 2025, the Company expects to continue its policy of returning approximately 85% of the free cash flow cumulatively over a 5-year period through a combination of semi-annual dividends and/or share buyback/ special dividends subject to applicable laws and requisite approvals, if any. Under this policy, the Company expects to progressively increase its annual dividend per share (excluding special dividend if any).

Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS. Dividend and buyback include applicable taxes.

The 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, 2025, 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.

**2.12.2 Shareholding of promoter**

**Shares held by promoters as at March 31, 2025 and the change during the year ended March 31, 2025:**

| Promoter name | No. of shares | % of total shares | % Change during the year |
|---|---|---|---|
| Sudha Gopalakrishnan | 95,357,000 | 2.30% | - |
| Rohan Murty | 60,812,892 | 1.46% | - |
| S. Gopalakrishnan | 31,853,808 | 0.77% | - |
| Nandan M. Nilekani | 40,783,162 | 0.98% | - |
| Akshata Murty | 38,957,096 | 0.94% | - |
| Asha Dinesh | 38,579,304 | 0.93% | - |
| Sudha N. Murty | 34,550,626 | 0.83% | - |
| Rohini Nilekani | 34,335,092 | 0.83% | - |
| Dinesh Krishnaswamy | 32,479,590 | 0.78% | - |
| Shreyas Shibulal | 19,929,860 | 0.48% | (6.54%) |
| N. R. Narayana Murthy | 15,145,638 | 0.36% | - |
| Nihar Nilekani | 12,677,752 | 0.31% | - |
| Janhavi Nilekani | 8,589,721 | 0.21% | - |
| Kumari Shibulal | 4,945,935 | 0.12% | - |
| Deeksha Dinesh | 7,646,684 | 0.18% | - |
| Divya Dinesh | 7,646,684 | 0.18% | - |
| Meghana Gopalakrishnan | 14,834,928 | 0.36% | - |
| Shruti Shibulal | 8,705,651 | 0.21% | 218.01% |
| S. D. Shibulal | 5,208,673 | 0.13% | - |
| **Promoters Group** | | | |
| Ekagrah Rohan Murty | 1,500,000 | 0.04% | - |
| Gaurav Manchanda | 5,773,233 | 0.14% | (53.90%) |
| Milan Shibulal Manchanda | 6,106,302 | 0.15% | (6.25%) |
| Nikita Shibulal Manchanda | 6,106,302 | 0.15% | (6.25%) |
| Bhairavi Madhusudhan Shibulal | 5,427,875 | 0.13% | (9.86%) |
| Shray Chandra | 719,424 | 0.02% | - |
| Tanush Nilekani Chandra | 3,356,017 | 0.08% | - |

The percentage shareholding above has been computed considering the outstanding number of shares of 4,153,263,455 as at March 31, 2025.

**2.12.3 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. Companies are required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act 2013 is as follows:

*(in ₹)*

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| Interim dividend for fiscal 2025 | 21.00 | — |
| Special dividend for fiscal 2024 | 8.00 | — |
| Final dividend for fiscal 2024 | 20.00 | — |
| Interim dividend for fiscal 2024 | — | 18.00 |
| Final dividend for fiscal 2023 | — | 17.50 |

During the year ended March 31, 2025, on account of the final and special dividend for fiscal 2024 and interim dividend for fiscal 2025, the Company has incurred a net cash outflow of ₹20,295 crore (excluding dividend paid on treasury shares)

The Board of Directors in their meeting held on April 17, 2025 recommended a final dividend of ₹22/- per equity share for the financial year ended March 31, 2025. The payment is subject to the approval of shareholders in the AGM of the Company to be held on June 25, 2025 and if approved, would result in a net cash outflow of approximately ₹9,116 crore (excluding dividend paid on treasury shares).

The details of shareholders holding more than 5% shares as at March 31, 2025 and March 31, 2024 are as follows:

| Name of the shareholder | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Number of shares | % held | Number of shares | % held |
| Deutsche Bank Trust Company Americas (Depository of ADR's - legal ownership) | 43,98,60,715 | 10.59 | 44,24,17,564 | 10.66 |
| Life Insurance Corporation of India | 38,81,12,531 | 9.34 | 38,59,52,941 | 9.30 |

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2025 and March 31, 2024 are as follows:

*(In ₹ crore, except as stated otherwise)*

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| **As at the beginning of the year** | **413,99,50,635** | **2,071** | **413,63,87,925** | **2,069** |
| Add: Shares issued on exercise of employee stock options | 36,56,893 | 2 | 35,62,710 | 2 |
| **As at the end of the year** | **414,36,07,528** | **2,073** | **413,99,50,635** | **2,071** |

**2.12.4 Employee Stock Option Plan (ESOP):**

**Accounting policy**

The Group recognizes compensation expense relating to share-based payments in net profit based on estimated fair values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in the statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

**Infosys Expanded Stock Ownership Program 2019 (the 2019 Plan) :**

On June 22, 2019 pursuant to approval by the shareholders in the Annual General Meeting, the Board has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company and its subsidiaries under the 2019 Plan. The maximum number of shares under the 2019 Plan shall not exceed 5,00,00,000 equity shares. To implement the 2019 Plan, up to 4,50,00,000 equity shares may be issued by way of secondary acquisition of shares by Infosys Expanded Stock Ownership Trust. The Restricted Stock Units (RSUs) granted under the 2019 Plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator (Nomination and Remuneration Committee). The performance parameters will be based on a combination of relative Total Shareholder Return (TSR) against selected industry peers and certain broader market domestic and global indices and operating performance metrics of the Company as decided by administrator. Each of the above performance parameters will be distinct for the purposes of calculation of quantity of shares to vest based on performance. These instruments will generally vest between a minimum of 1 to maximum of 3 years from the grant date.

**2015 Stock Incentive Compensation Plan (the 2015 Plan) :**

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board was authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan. The maximum number of shares under the 2015 Plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). These instruments will generally vest over a period of 4 years. The plan numbers mentioned above are further adjusted with 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 96,55,927 and 1,09,16,829 shares as at March 31, 2025 and March 31, 2024, respectively, under the 2015 Plan. Out of these shares, 200,000 equity shares each have been earmarked for welfare activities of the employees as at March 31, 2025 and March 31, 2024.

The following is the summary of grants made during year ended March 31, 2025 and March 31, 2024:

| Particulars | 2019 Plan | | 2015 Plan | |
|---|---|---|---|---|
| | Year ended March 31, | | Year ended March 31, | |
| | 2025 | 2024 | 2025 | 2024 |
| **Equity Settled RSUs** | | | | |
| Key Management Personnel (KMP) | 119,699 | 141,171 | 380,842 | 498,730 |
| Employees other than KMP | 3,624,646 | 4,046,731 | 1,874,690 | 4,640,640 |
| | **3,744,345** | **4,187,902** | **2,255,532** | **5,139,370** |
| **Cash settled RSUs** | | | | |
| Key Management Personnel (KMP) | - | - | - | - |
| Employees other than KMP | - | - | 94,050 | 176,990 |
| | - | - | **94,050** | **176,990** |
| **Total Grants** | **3,744,345** | **4,187,902** | **2,349,582** | **5,316,360** |

***Notes on grants to KMP:***

**CEO & MD**

**Under the 2015 Plan:**

The Board, on April 18, 2024, based on the recommendations of the Nomination and Remuneration Committee approved the following grants for fiscal 2025. In accordance with such approval the following grants were made effective May 2, 2024.

- 245,679 performance-based RSUs (Annual performance equity grant) of fair value of ₹34.75 crore. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets.
- 14,140 performance-based grant of RSUs (Annual performance equity ESG grant) of fair value of ₹2 crore. These RSUs will vest in line with the employment agreement based on achievement of certain environment, social and governance milestones as determined by the Board.
- 35,349 performance-based grant of RSUs (Annual performance Equity TSR grant) of fair value of ₹5 crore . These RSUs will vest in line with the employment agreement based on Company's performance on cumulative relative TSR over the years and as determined by the Board.

Further, 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 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 16,204 RSUs was made effective February 1, 2025 for fiscal 2025.

Though the annual time based grants and annual performance equity TSR grant for the remaining employment term ending on March 31, 2027 have not been granted as of March 31, 2025, 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 payment. The grant date for this purpose in accordance with Ind AS 102, Share based payment is July 01, 2022.

**Under the 2019 Plan:**

The Board, on April 18, 2024, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for fiscal 2025 under the 2019 Plan. These RSUs will vest based on achievement of certain performance targets. Accordingly, 70,699 performance based RSU's were granted effective May 2, 2024.

**Other KMP**

**Under the 2015 Plan:**

During the year ended March 31, 2025, based on recommendations of Nomination and Remuneration Committee, the Board approved 69,470 time based RSUs to other KMP under the 2015 plan. Time based RSUs will vest over four years.

**Under the 2019 Plan:**

During the year ended March 31, 2025, based on recommendations of Nomination and Remuneration Committee, the Board approved performance based grants of 49,000 RSUs to other KMPs under the 2019 plan. These RSUs will vest over three years based on achievement of certain performance targets.

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

*(in ₹ crore)*

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| *Granted to:* | | |
| KMP | 70 | 68 |
| Employees other than KMP | 732 | 584 |
| **Total** [(1)] | **802** | **652** |
| [(1)] *Cash-settled stock compensation expense included in the above* | 17 | 13 |

The activity in the 2015 and 2019 Plan for equity-settled share based payment transactions during the year ended March 31, 2025 and March 31, 2024 is set out as follows:

| Particulars | Year ended March 31, 2025 | | Year ended March 31, 2024 | |
|---|---|---|---|---|
| | 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 | 80,76,058 | 5.00 | 54,08,018 | 5.00 |
| Granted | 22,55,532 | 5.00 | 51,39,370 | 5.00 |
| Exercised | 20,80,865 | 5.00 | 18,15,025 | 5.00 |
| Forfeited and expired | 9,91,261 | 5.00 | 6,56,305 | 5.00 |
| **Outstanding at the end** | **7,259,464** | **5.00** | **80,76,058** | **5.00** |
| Exercisable at the end | 6,29,138 | 4.97 | 8,31,050 | 4.98 |
| **2015 Plan: Employee Stock Options (ESOPs)** | | | | |
| Outstanding at the beginning | 82,050 | 551 | 1,34,030 | 529 |
| Granted | - | - | - | - |
| Exercised | 61,672 | 573 | 51,980 | 499 |
| Forfeited and expired | 2,824 | 499 | - | - |
| **Outstanding at the end** | **17,554** | **499** | **82,050** | **551** |
| Exercisable at the end | **17,554** | 499 | 82,050 | 551 |
| | | | | |
| **2019 Plan: RSU** | | | | |
| Outstanding at the beginning | 80,23,855 | 5.00 | 72,22,038 | 5.00 |
| Granted | 37,44,345 | 5.00 | 41,87,902 | 5.00 |
| Exercised | 15,14,356 | 5.00 | 16,95,705 | 5.00 |
| Forfeited and expired | 21,81,209 | 5.00 | 16,90,380 | 5.00 |
| **Outstanding at the end** | **8,072,635** | **5.00** | **80,23,855** | **5.00** |
| Exercisable at the end | 7,70,321 | 5.00 | 8,14,798 | 5.00 |

The weighted average share price of option exercised is set out as follows:

*(in ₹)*

| Particulars | 2019 Plan | | 2015 Plan | |
|---|---|---|---|---|
| | Year ended March 31, | | Year ended March 31, | |
| | 2025 | 2024 | 2025 | 2024 |
| Weighted average share price of options exercised | 1,587 | 1,352 | 1,601 | 1,414 |

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2025 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) | 8,072,635 | 1.23 | 5.00 | 7,259,464 | 1.51 | 5.00 |
| 450 - 640 (ESOP) | - | - | - | 17,554 | 0.58 | 499 |

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2024 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) | 80,23,855 | 1.42 | 5.00 | 80,76,058 | 1.77 | 5.00 |
| 450 - 640 (ESOP) | - | - | - | 82,050 | 1.10 | 551 |

As at March 31, 2025 and March 31, 2024, 2,88,384 and 2,91,795 cash settled options were outstanding respectively. The carrying value of liability towards cash settled share based payments was ₹18 crore and ₹13 crore as at March 31, 2025 and March 31, 2024 respectively.

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

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

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

| Particulars | For options granted in | | | |
|---|---|---|---|---|
| | Fiscal 2025-Equity Shares-RSU | Fiscal 2025-ADS-RSU | Fiscal 2024-Equity Shares-RSU | Fiscal 2024-ADS-RSU |
| Weighted average share price (₹) / ($ ADS) | 1,808 | 21.44 | 1,588 | 19.19 |
| Exercise price (₹) / ($ ADS) | 5.00 | 0.07 | 5.00 | 0.07 |
| Expected volatility (%) | 21-26 | 23-28 | 23-31 | 25-33 |
| 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 (%) | 7 | 4-5 | 7 | 4-5 |
| Weighted average fair value as on grant date (₹) / ($ ADS) | 1,555 | 18.20 | 1,317 | 16.27 |

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.

## 2.13 OTHER FINANCIAL LIABILITIES

*(In ₹ crore)*

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Non-current** | | |
| Others | | |
| Accrued compensation to employees [1] | 12 | 7 |
| Accrued expenses [1] | 1,890 | 1,779 |
| Compensated absences | 99 | 89 |
| Financial liability under option arrangements [2] # | 115 | 98 |
| Payable for acquisition of business - Contingent consideration [2] | 20 | — |
| Other Payables [1][4] | 5 | 157 |
| **Total non-current other financial liabilities** | **2,141** | **2,130** |
| | | |
| **Current** | | |
| Unpaid dividends [1] | 45 | 37 |
| Others | | |
| Accrued compensation to employees [1] | 4,924 | 4,454 |
| Accrued expenses [1] | 8,467 | 8,224 |
| Payable for acquisition of business - Contingent consideration [2] | 11 | — |
| Payable by controlled trusts [1] | 173 | 211 |
| Compensated absences | 2,908 | 2,622 |
| Financial liability under option arrangements [2] # | 552 | 499 |
| Foreign currency forward and options contracts [2] [3] | 63 | 31 |
| Capital creditors [1] | 520 | 310 |
| Other payables [1][4] | 475 | 571 |
| **Total current other financial liabilities** | **18,138** | **16,959** |
| | | |
| **Total other financial liabilities** | **20,279** | **19,089** |
| | | |
| [1] Financial liability carried at amortized cost | 16,511 | 15,750 |
| [2] Financial liability carried at fair value through profit or loss | 728 | 627 |
| [3] Financial liability carried at fair value through other comprehensive income | 33 | 1 |
| Financial liability under option arrangements on an undiscounted basis | 761 | 690 |
| Contingent consideration on undiscounted basis | 33 | — |

[4] The Group entered into financing arrangements with a third party towards technology assets taken over by the Group from a customer as a part of transformation project which was not considered as distinct goods or services as the control related to those assets was not transferred to the Group in accordance with Ind AS 115 - Revenue from contract with customers. As at March 31, 2025 and March 31, 2024, the financial liability pertaining to such arrangements amounts to ₹67 crore and ₹372 crore, respectively.

# Represents liability related to options issued by the Group over the non-controlling interests in its subsidiaries

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

## 2.14 TRADE PAYABLES

*(In ₹ crore)*

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Outstanding dues of micro enterprises and small enterprises (MSME) | 8 | 101 |
| Outstanding dues of creditors other than micro enterprises and small enterprises[1] | 4,156 | 3,855 |
| **Total trade payables** | **4,164** | **3,956** |

Trade payables ageing schedule for the year ended as on March 31, 2025 and March 31, 2024:

*(In ₹ crore)*

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Outstanding dues to MSME | 8 | - | - | - | - | 8 |
| | *101* | - | - | - | - | *101* |
| Others | 3,742 | 414 | - | - | - | 4,156 |
| | *3,688* | *167* | - | - | - | *3,855* |
| **Total trade payables** | **3,750** | **414** | - | - | - | **4,164** |
| | ***3,789*** | ***167*** | - | - | - | ***3,956*** |

**Relationship with struck off companies**

There are no transactions with struck off companies for the year ending March 31, 2025 and March 31, 2024.

## 2.15 OTHER LIABILITIES

*(In ₹ crore)*

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Non-current** | | |
| Others | | |
| Accrued defined benefit liability | 115 | 159 |
| Others | 100 | 76 |
| **Total non-current other liabilities** | **215** | **235** |
| | | |
| **Current** | | |
| Unearned revenue | 8,492 | 7,341 |
| Others | | |
| Withholding taxes and others | 3,256 | 3,185 |
| Accrued defined benefit liability | 6 | 5 |
| Others | 11 | 8 |
| **Total current other liabilities** | **11,765** | **10,539** |
| **Total other liabilities** | **11,980** | **10,774** |

## 2.16 PROVISIONS

**Accounting policy**

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

**a. Post sales client support**

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

**b. Onerous contracts**

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Group recognizes any impairment loss on the assets associated with that contract.

**Provision for post-sales client support and other provisions:**

*(In ₹ crore)*

| Particulars | As at | |
|---|---|---|
| | **March 31, 2025** | **March 31, 2024** |
| **Current** | | |
| Others | | |
| Post-sales client support and others | 1,325 | 1,796 |
| Other provisions pertaining to settlement (refer to note 2.24.2) | 150 | — |
| **Total provisions** | **1,475** | **1,796** |

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

*(In ₹ crore)*

| Particulars | Year ended March 31, 2025 |
|---|---|
| Balance at the beginning | 1,796 |
| Provision recognized / (reversed) | 166 |
| Provision utilized | (676) |
| Translation difference | 39 |
| **Balance at the end** | **1,325** |

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

Provision for post sales client support and other provisions is included in cost of sales in the consolidated statement of profit and loss.

## 2.17 INCOME TAXES

**Accounting policy**

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity or other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

The Group offsets current tax assets and current tax liabilities; deferred tax assets and deferred tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to equity.

Income tax expense in the Consolidated Statement of Profit and Loss comprises:

*(In ₹ crore)*

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| Current taxes | 12,130 | 8,390 |
| Deferred taxes | (1,272) | 1,350 |
| **Income tax expense** | **10,858** | **9,740** |

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, | |
|---|---|---|
| | 2025 | 2024 |
| Profit before income taxes | 37,608 | 35,988 |
| Enacted tax rates in India | 25.17% | 34.94% |
| Computed expected tax expense | 9,465 | 12,576 |
| Tax effect due to non-taxable income for Indian tax purposes | - | (3,009) |
| Overseas taxes | 1,109 | 1,128 |
| Tax provision (reversals) | 132 | (937) |
| Effect of exempt non-operating income | (31) | (49) |
| Effect of unrecognized deferred tax assets | 161 | 203 |
| Effect of differential tax rates | (79) | (568) |
| Effect of non-deductible expenses | 276 | 165 |
| Others | (175) | 231 |
| **Income tax expense** | **10,858** | **9,740** |

The applicable Indian corporate statutory tax rate for the year ended March 31, 2025 is 25.17% and for the year ended March 31, 2024 is 34.94%.

Income tax expense for the year ended March 31, 2025 and March 31, 2024 includes provisions (net of reversals) of ₹132 crore and reversals (net of provisions) of ₹937 crore, respectively. These provisions and reversals pertaining to prior periods are primarily on account of adjudication of certain disputed matters, upon filing of tax return and completion of assessments, across various jurisdictions.

During the year ended March 31, 2025, the Company received orders under section 250 of the Income Tax Act, 1961, from the Income Tax Authorities in India for the assessment years, 2016-17 and 2019-20. These orders confirmed the Company's position with respect to tax treatment of certain contentious matters. As a result interest income (pre-tax) of ₹327 crore was recognised and provision for income tax aggregating ₹183 crore was reversed with a corresponding credit to the Statement of Profit and Loss. Also, upon resolution of the disputes, an amount aggregating to ₹1,068 crore has been reduced from contingent liabilities.

During the year ended March 31, 2024, the Company received orders under sections 250 and 254 of the Income Tax Act, 1961, from the Income Tax Authorities in India for the assessment years, 2007-08 to 2015-16, 2017-18 and 2018-19. These orders confirmed the Company's position with respect to tax treatment of certain contentious matters. As a result interest income (pre-tax) of ₹1,933 crore was recognized and provision for income tax aggregating ₹525 crore was reversed with a corresponding credit to the Statement of Profit and Loss. Also, upon resolution of the disputes, an amount aggregating to ₹ 1,628 crore has been reduced from contingent liabilities.

The foreign tax expense is due to income taxes payable overseas principally in the United States. In India, the Group has benefited from certain tax incentives that the Government of India had provided for export of software and services from the units registered under the Special Economic Zones (SEZs) Act, 2005 in the prior years. SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50% of such profits or gains for further five years. Up to 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone re-Investment Reserve out of the profit of the eligible SEZ units and utilization of such reserve by the Group for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961. (Refer to Special Economic Zone Re-investment reserve under Note 2.12 Equity)

Deferred income tax for the year ended March 31, 2025 and March 31, 2024 substantially relates to origination and reversal of temporary differences.

Infosys is subject to a 15% Branch Profit Tax (BPT) in the U.S. to the extent its U.S. branch's net profit during the year is greater than the increase in the net assets of the U.S. branch during the year, computed in accordance with the Internal Revenue Code. As at March 31, 2025, Infosys' U.S. branch net assets amounted to approximately ₹7,755 crore. As at March 31, 2025, the Company has a deferred tax liability for Branch Profit Tax of ₹271 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 ₹16,593 crore and ₹10,776 crore as at March 31, 2025 and March 31, 2024, respectively, associated with investments in subsidiaries and branches as the Company is able to control the timing of reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. The Group majorly intends to repatriate earnings from subsidiaries and branches only to the extent these can be distributed in a tax free manner.

Deferred income tax assets have not been recognized on accumulated losses of ₹4,597 crore and ₹4,668 crore as at March 31, 2025 and March 31, 2024, respectively, as it is probable that future taxable profit will not be available against which the unused tax losses can be utilized in the foreseeable future.

The following table provides details of expiration of unused tax losses as at March 31, 2025:

*(In ₹ crore)*

| Year | As at March 31, 2025 |
|---|---|
| 2026 | 209 |
| 2027 | 140 |
| 2028 | 508 |
| 2029 | 686 |
| 2030 | 443 |
| Thereafter | 2,611 |
| **Total** | **4,597** |

The following table provides details of expiration of unused tax losses as at March 31, 2024:

*(In ₹ crore)*

| Year | As at March 31, 2024 |
|---|---|
| 2025 | 13 |
| 2026 | 202 |
| 2027 | 128 |
| 2028 | 467 |
| 2029 | 684 |
| Thereafter | 3,174 |
| **Total** | **4,668** |

The following table provides the details of income tax assets and income tax liabilities as at March 31, 2025 and March 31, 2024:

*(In ₹ crore)*

| Particulars | As at | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| Income tax assets | 4,597 | 9,442 |
| Current income tax liabilities | 4,853 | 3,585 |
| **Net current income tax asset / (liability) at the end** | **(256)** | **5,857** |

The gross movement in the current income tax assets / (liabilities) for the year ended March 31, 2025 and March 31, 2024 is as follows:

*(In ₹ crore)*

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| **Net current income tax asset / (liability) at the beginning** | **5,857** | **3,075** |
| Income tax paid* | 5,602 | 9,231 |
| Interest receivable on income tax refund | 327 | 1,934 |
| Current income tax expense | (12,130) | (8,390) |
| Income tax benefit arising on exercise of stock options | 39 | 3 |
| Additions through business combination | (1) | - |
| Income tax on other comprehensive income | 19 | 4 |
| Translation differences | 31 | - |
| **Net current income tax asset / (liability) at the end** | **(256)** | **5,857** |

* *net of refund*

The movement in gross deferred income tax assets / liabilities (before set off) for the year ended March 31, 2025 is as follows:

*(In ₹ crore)*

| Particulars | Carrying value as at April 1, 2024 | Changes through profit and loss | Addition through business combination | Changes through OCI | Translation difference | Carrying value as at March 31, 2025 |
|---|---|---|---|---|---|---|
| **Deferred income tax assets/(liabilities)** | | | | | | |
| Property, plant and equipment | 244 | (4) | - | - | (1) | 239 |
| Lease liabilities | 198 | (45) | - | - | 1 | 154 |
| Accrued compensation to employees | 62 | 18 | - | - | - | 80 |
| Trade receivables | 223 | (3) | - | - | - | 220 |
| Compensated absences | 627 | 77 | 2 | - | - | 706 |
| Post sales client support | 56 | 11 | - | - | 1 | 68 |
| Credits related to branch profits | 811 | (37) | - | - | 17 | 791 |
| Derivative financial instruments | (11) | (25) | - | 8 | - | (28) |
| Intangible assets | 64 | 5 | - | - | 2 | 71 |
| Intangibles arising on business combinations | (282) | 141 | (529) | - | (14) | (684) |
| Branch profit tax | (1,080) | 41 | - | - | (23) | (1,062) |
| SEZ reinvestment reserve | (1,996) | 563 | - | - | - | (1,433) |
| Interest receivable on income tax refund | (487) | 416 | - | - | - | (71) |
| Others | 231 | 114 | 9 | (22) | 3 | 335 |
| **Total deferred income tax assets/(liabilities)** | **(1,340)** | **1,272** | **(518)** | **(14)** | **(14)** | **(614)** |

The movement in gross deferred income tax assets / liabilities (before set off) for the year ended March 31, 2024 is as follows:

*(In ₹ crore)*

| Particulars | Carrying value as at April 1, 2023 | Changes through profit and loss | Addition through business combination | Changes through OCI | Translation difference | Carrying value as at March 31, 2024 |
|---|---|---|---|---|---|---|
| **Deferred income tax assets/(liabilities)** | | | | | | |
| Property, plant and equipment | 169 | 75 | - | - | - | 244 |
| Lease liabilities | 223 | (25) | - | - | - | 198 |
| Accrued compensation to employees | 68 | (6) | - | - | - | 62 |
| Trade receivables | 261 | (40) | - | - | 2 | 223 |
| Compensated absences | 576 | 50 | - | - | 1 | 627 |
| Post sales client support | 248 | (192) | - | - | - | 56 |
| Credits related to branch profits | 718 | 84 | - | - | 9 | 811 |
| Derivative financial instruments | - | (7) | - | (4) | - | (11) |
| Intangible assets | 62 | 1 | - | - | 1 | 64 |
| Intangibles arising on business combinations | (344) | 63 | - | - | (1) | (282) |
| Branch profit tax | (866) | (202) | - | - | (12) | (1,080) |
| SEZ reinvestment reserve | (1,351) | (645) | - | - | - | (1,996) |
| Interest receivable on income tax refund | - | (487) | - | - | - | (487) |
| Others | 261 | (19) | - | (4) | (7) | 231 |
| **Total deferred income tax assets/(liabilities)** | **25** | **(1,350)** | **-** | **(8)** | **(7)** | **(1,340)** |

The deferred income tax assets and liabilities are as follows:

*(In ₹ crore)*

| Particulars | As at | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| Deferred income tax assets after set off | 1,108 | 454 |
| Deferred income tax liabilities after set off | (1,722) | (1,794) |

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

The Company's Advanced Pricing Arrangement (APA) with the Internal Revenue Service (IRS) for US branch income tax expired in March 2021. The Company has applied for renewal of APA and currently the US taxable income is based on the Company's best estimate determined based on the expected value method.

## 2.18 REVENUE FROM OPERATIONS

**Accounting policy**

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

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

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

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

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

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

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

Certain cloud and infrastructure services contracts include multiple elements which may be subject to other specific accounting guidance, such as leasing guidance. These contracts are accounted in accordance with such specific accounting guidance. In such arrangements where the Group is able to determine that hardware and services are distinct performance obligations, it allocates the consideration to these performance obligations on a relative standalone selling price basis. In the absence of standalone selling price, the Group uses the expected cost-plus margin approach in estimating the standalone selling price. When such arrangements are considered as a single performance obligation, revenue is recognized over the period and measure of progress is determined based on promise in the contract.

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

Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS).When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two distinct separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the Group uses the expected cost plus margin approach in estimating the standalone selling price. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably on a straight line basis over the period in which the services are rendered.

Contracts with customers includes subcontractor services or third-party vendor equipment or software in certain integrated services arrangements. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when the Group is acting as an agent between the customer and the vendor, and gross when the Group is the principal for the transaction. In doing so, the Group first evaluates whether it obtains control of the specified goods or services before they are transferred to the customer. The Group considers whether it is primarily responsible for fulfilling the promise to provide the specified goods or services, inventory risk, pricing discretion and other factors to determine whether it controls the specified goods or services and therefore, is acting as a principal or an agent.

A contract modification is a change in the scope or price or both of a contract that is approved by the parties to the contract. A contract modification that results in the addition of distinct performance obligations are accounted for either as a separate contract if the additional services are priced at the standalone selling price or as a termination of the existing contract and creation of a new contract if they are not priced at the standalone selling price. If the modification does not result in a distinct performance obligation, it is accounted for as part of the existing contract on a cumulative catch-up basis.

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Group expects to recover them.

Certain eligible, nonrecurring costs (e.g. set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of the Group that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered.

Capitalized contract costs relating to upfront payments to customers are amortized to revenue and other capitalized costs are amortized to expenses over the respective contract life on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates. Capitalized costs are monitored regularly for impairment. Impairment losses are recorded when present value of projected remaining operating cash flows is not sufficient to recover the carrying amount of the capitalized costs.

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

Revenue from operations for the year ended March 31, 2025 and March 31, 2024 is as follows:

*(In ₹ crore)*

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| Revenue from software services | 155,395 | 145,285 |
| Revenue from products and platforms | 7,595 | 8,385 |
| **Total revenue from operations** | **162,990** | **153,670** |

**Products & platforms**

The Group also derives revenues from the sale of products and platforms like Finacle – core banking solution, Edge Suite of products, Panaya platform, Stater digital platform and Infosys McCamish – insurance platform.

**Disaggregated revenue information**

Revenue disaggregation by business segments has been included in segment information *(Refer to Note 2.26)*. The table below presents disaggregated revenues from contracts with customers by geography and contract type. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

For the year ended March 31, 2025 and March 31, 2024:

*(In ₹ crore)*

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| **Revenues by Geography*** | | |
| North America | 94,397 | 92,411 |
| Europe | 48,595 | 42,267 |
| India | 5,014 | 3,881 |
| Rest of the world | 14,984 | 15,111 |
| **Total** | **162,990** | **153,670** |

* *Geographical revenue is based on the domicile of customer*

The percentage of revenue from fixed-price contracts for the year ended March 31, 2025 and March 31, 2024 is 54% and 53%, respectively.

**Trade Receivables and Contract Balances**

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

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

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

Invoicing in excess of earnings are classified as unearned revenue.

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

During the year ended March 31, 2025 and March 31, 2024, the Company recognized revenue of ₹5,669 crore and ₹5,432 crore arising from opening unearned revenue as of April 1, 2024 and April 1, 2023 respectively.

During the year ended March 31, 2025 and March 31, 2024, ₹4,896 crore and ₹7,023 crore of unbilled revenue pertaining to other fixed price and fixed time frame contracts as of April 1, 2024 and April 1, 2023, 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 Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material and unit of work based contracts. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency fluctuations.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2025, other than those meeting the exclusion criteria mentioned above, is ₹104,785 crore. Out of this, the Group expects to recognize revenue of around 50.3% 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, 2024 is ₹90,658 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.

## 2.19 OTHER INCOME, NET

**Accounting policy**

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

**Foreign currency**

**Accounting policy**

*Functional currency*

The functional currency of Infosys, its Indian subsidiaries and controlled trusts is the Indian rupee. The functional currencies for foreign subsidiaries are their respective local currencies. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

*Transactions and translations*

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

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

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

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

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

**Government grant**

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in net profit in the Consolidated Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in net profit in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

Other income for the year ended March 31, 2025 and March 31, 2024 is as follows:

*(In ₹ crore)*

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| Interest income on financial assets carried at amortized cost | | |
| Tax free bonds and Government bonds | 122 | 131 |
| Deposit with Bank and others | 1,401 | 929 |
| Interest income on financial assets carried at fair value through other comprehensive income | | |
| Non-convertible debentures, commercial paper, certificates of deposit and government securities | 1,047 | 1,007 |
| Income on investments carried at fair value through profit or loss: | | |
| Gain / (loss) on liquid mutual funds and other investments | 287 | 285 |
| Income on investments carried at fair value through other comprehensive income | 2 | — |
| Income on investments carried at amortized cost | | |
| Gain/(loss) on tax free bond | 4 | — |
| Interest on income tax refund | 343 | 1,965 |
| Exchange gains / (losses) on forward and options contracts | (205) | 100 |
| Exchange gains / (losses) on translation of other assets and liabilities | 464 | 87 |
| Miscellaneous income, net | 135 | 207 |
| **Total other income** | **3,600** | **4,711** |

## 2.20 EXPENSES

*(In ₹ crore)*

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| *Employee benefit expenses* | | |
| Salaries including bonus | 82,232 | 79,315 |
| Contribution to provident and other funds | 2,338 | 2,213 |
| Share based payments to employees *(Refer to Note 2.12)* | 802 | 652 |
| Staff welfare | 578 | 440 |
| | **85,950** | **82,620** |
| *Cost of software packages and others* | | |
| For own use | 2,467 | 2,145 |
| Third party items bought for service delivery to clients | 13,444 | 11,370 |
| | **15,911** | **13,515** |
| *Other expenses* | | |
| Repairs and maintenance | 1,320 | 1,278 |
| Power and fuel | 222 | 199 |
| Brand and marketing | 1,223 | 1,007 |
| Rates and taxes | 346 | 326 |
| Consumables | 227 | 170 |
| Insurance | 301 | 210 |
| Provision for post-sales client support and others | (110) | 75 |
| Commission to non-whole time directors | 18 | 16 |
| Impairment loss recognized / (reversed) under expected credit loss model | 48 | 121 |
| Contributions towards Corporate Social Responsibility | 585 | 533 |
| Others | 607 | 781 |
| | **4,787** | **4,716** |

### 2.21 Leases

**Accounting Policy**

**The Group as a lessee**

The Group's lease asset classes primarily consist of leases for land, buildings and computers. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

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

As a lessee, the Group determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group 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 Group'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.

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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

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

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

**The Group as a lessor**

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

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

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

Following are the changes in the carrying value of right-of-use assets for the year ended March 31, 2025:

*(In ₹ crore)*

| Particulars | Category of ROU asset | | | | |
|---|---|---|---|---|---|
| | Land | Buildings | Vehicles | Computers | Total |
| **Balance as of April 1, 2024** | **605** | **3,298** | **17** | **2,632** | **6,552** |
| Additions* | — | 816 | 13 | 1,306 | 2,135 |
| Addition due to Business Combination *(Refer to Note 2.1)* | — | 155 | 5 | — | 160 |
| Deletions | — | (236) | (6) | (652) | (894) |
| Depreciation | (6) | (714) | (11) | (965) | (1,696) |
| Translation difference | 1 | 29 | 6 | 18 | 54 |
| **Balance as of March 31, 2025** | **600** | **3,348** | **24** | **2,339** | **6,311** |

* *Net of adjustments on account of modifications.*

Following are the changes in the carrying value of right-of-use assets for the year ended March 31, 2024:

*(In ₹ crore)*

| Particulars | Category of ROU asset | | | | |
|---|---|---|---|---|---|
| | Land | Buildings | Vehicles | Computers | Total |
| **Balance as of April 1, 2023** | **623** | **3,896** | **15** | **2,348** | **6,882** |
| Additions* | — | 394 | 12 | 1,872 | 2,278 |
| Deletions | (10) | (181) | (1) | (755) | (947) |
| Impairment | — | (88) | — | — | (88) |
| Depreciation | (6) | (728) | (10) | (851) | (1,595) |
| Translation difference | (2) | 5 | 1 | 18 | 22 |
| **Balance as of March 31, 2024** | **605** | **3,298** | **17** | **2,632** | **6,552** |

* *Net of adjustments on account of modifications and lease incentives*

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

The following is the break-up of current and non-current lease liabilities as at March 31, 2025 and March 31, 2024:

*(In ₹ crore)*

| Particulars | As at | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| Current lease liabilities | 2,455 | 1,959 |
| Non-current lease liabilities | 5,772 | 6,400 |
| **Total** | **8,227** | **8,359** |

The movement in lease liabilities during the year ended March 31, 2025 and March 31, 2024 is as follows :

*(In ₹ crore)*

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| **Balance at the beginning** | **8,359** | **8,299** |
| Additions | 2,156 | 2,190 |
| Addition due to Business Combination *(Refer to Note 2.1)* | 160 | - |
| Deletions | (553) | (444) |
| Finance cost accrued during the period | 341 | 326 |
| Payment of lease liabilities | (2,355) | (2,030) |
| Translation difference | 119 | 18 |
| **Balance at the end** | **8,227** | **8,359** |

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2025 and March 31, 2024 on an undiscounted basis:

*(In ₹ crore)*

| Particulars | As at | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| Less than one year | 2,483 | 2,152 |
| One to five years | 5,195 | 6,123 |
| More than five years | 1,296 | 994 |
| **Total** | **8,974** | **9,269** |

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

Rental expense recorded for short-term leases was ₹85 crore and ₹97 crore for the year ended March 31, 2025 and March 31, 2024, respectively

Leases not yet commenced to which Group is committed is ₹176 crore for a lease term ranging from 3 years to 5 years.

The following is the movement in the net investment in lease during the year ended March 31, 2025 and March 31, 2024:

*(In ₹ crore)*

| Particulars | Year ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| **Balance at the beginning** | **1,824** | **922** |
| Additions | 1,013 | 1,281 |
| Interest income accrued during the period | 37 | 24 |
| Others | (25) | (2) |
| Lease receipts | (676) | (400) |
| Translation difference | 72 | (1) |
| **Balance at the end** | **2,245** | **1,824** |

## 2.22 EMPLOYEE BENEFITS

**Accounting policy**

**Gratuity and Pensions**

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

The Group operates defined benefit pension plan in certain overseas jurisdictions, in accordance with the local laws. These plans are managed by third party fund managers. The plans provide for periodic payouts after retirement and/or a lumpsum payment as set out in rules of each fund and includes death and disability benefits. The defined benefit plans require contributions which are based on a percentage of salary that varies depending on the age of the respective employees.

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

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

**Provident fund**

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

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

**Superannuation**

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

**Compensated absences**

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

**2.22.1 Gratuity and Pension**

The following table sets out the details of the defined benefit retirement plans and the amounts recognized in the Group's financial statements as at March 31, 2025 and March 31, 2024:

*(In ₹ crore)*

| Particulars | Gratuity | | Pension | |
|---|---|---|---|---|
| | As at | | As at | |
| | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 |
| **Change in benefit obligations** | | | | |
| Benefit obligations at the beginning | 2,116 | 1,778 | 1,020 | 917 |
| Transfer | 5 | 29 | - | - |
| Service cost | 335 | 307 | 52 | 54 |
| Interest expense | 141 | 121 | 18 | 20 |
| Remeasurements - Actuarial (gains) / losses | 93 | 34 | 69 | 24 |
| Past service cost - plan amendments | - | - | - | (33) |
| Employee contribution | - | - | 33 | 34 |
| Benefits paid | (181) | (154) | (60) | (10) |
| Translation difference | 2 | 1 | 51 | 14 |
| **Benefit obligations at the end** | **2,511** | **2,116** | **1,183** | **1,020** |
| **Change in plan assets** | | | | |
| Fair value of plan assets at the beginning | 2,079 | 1,755 | 991 | 870 |
| Transfer | - | - | - | - |
| Interest income | 151 | 127 | 19 | 20 |
| Remeasurements- Return on plan assets excluding amounts included in interest income | 22 | 18 | 60 | 16 |
| Employer contribution | 656 | 328 | 46 | 51 |
| Employee contribution | - | - | 33 | 34 |
| Benefits paid | (176) | (149) | (60) | (10) |
| Translation difference | 1 | - | 48 | 10 |
| **Fair value of plan assets at the end** | **2,733** | **2,079** | **1,137** | **991** |
| Funded status | 222 | (37) | (46) | (29) |
| Defined benefit plan asset (Refer note 2.10) | 286 | 16 | 11 | 15 |
| Defined benefit plan liability (Refer note 2.15) | (64) | (53) | (57) | (44) |

Amount for the year ended March 31, 2025 and March 31, 2024 recognized in the Consolidated Statement of Profit and Loss under employee benefit expense:

*(In ₹ crore)*

| Particulars | Gratuity | | Pension | |
|---|---|---|---|---|
| | Year ended March 31, | | Year ended March 31, | |
| | 2025 | 2024 | 2025 | 2024 |
| Service cost | 335 | 307 | 52 | 54 |
| Net interest on the net defined benefit liability / (asset) | (10) | (6) | (1) | - |
| Plan amendments | - | - | - | (33) |
| **Net cost** | **325** | **301** | **51** | **21** |

Amount for the year ended March 31, 2025 and March 31, 2024 recognized in the Consolidated Statement of Other Comprehensive Income:

*(In ₹ crore)*

| Particulars | Gratuity | | Pension | |
|---|---|---|---|---|
| | Year ended March 31, | | Year ended March 31, | |
| | 2025 | 2024 | 2025 | 2024 |
| **Remeasurements of the net defined benefit liability / (asset)** | | | | |
| Actuarial (gains) / losses | 93 | 34 | 69 | 24 |
| (Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset) | (22) | (18) | (60) | (16) |
| | **71** | **16** | **9** | **8** |

Break up of actuarial (gains)/losses for the year ended March 31, 2025 and March 31, 2024 is as follows:

*(In ₹ crore)*

| Particulars | Gratuity | | Pension | |
|---|---|---|---|---|
| | Year ended March 31, | | Year ended March 31, | |
| | 2025 | 2024 | 2025 | 2024 |
| (Gain) / loss from change in demographic assumptions | - | - | - | - |
| (Gain) / loss from change in financial assumptions | 38 | 10 | 47 | 24 |
| (Gain) / loss from experience adjustment | 55 | 24 | 22 | - |
| | **93** | **34** | **69** | **24** |

The weighted-average assumptions used to determine benefit obligations as at March 31, 2025 and March 31, 2024 are set out below:

| Particulars | Gratuity | | Pension | |
|---|---|---|---|---|
| | As at | | As at | |
| | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 |
| Discount rate [(1)] | 6.5% | 7.0% | 0.9%-3.7% | 1.5%-3.4% |
| Weighted average rate of increase in compensation levels [(2)] | 6.0% | 6.0% | 1%-3% | 1%-3% |
| Weighted average duration of defined benefit obligation [(3)] | 5.7 years | 5.8 years | 13 years | 12 years |

The weighted-average assumptions used to determine net periodic benefit cost for the year ended March 31, 2025 and March 31, 2024 are set out below:

| Particulars | Gratuity | | Pension | |
|---|---|---|---|---|
| | Year ended March 31, | | Year ended March 31, | |
| | 2025 | 2024 | 2025 | 2024 |
| Discount rate | 7.0% | 7.1% | 1.5%-3.4% | 1.8%-3.8% |
| Weighted average rate of increase in compensation levels | 6.0% | 6.0% | 1%-3% | 1%-3% |

[(1)] For domestic defined benefit plan in India, the market for high quality corporate bonds being not developed, the yield of government bonds is considered as the discount rate. For most of our overseas defined benefit plan, given that the market for high quality corporate bonds is not developed, the Government bond rate adjusted for corporate spreads is used.

[(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, inflation in respective markets 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. 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 post-employment benefit obligation.

For domestic defined benefit plan in India, assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India. For overseas defined benefit plan, the assumptions regarding future mortality experience are set with regard to the latest statistics in life expectancy, plan experience and other relevant data.

The Group assesses all of the above assumptions with its projected long-term plans of growth and prevalent industry standards.

The Company contributes all ascertained liabilities towards gratuity to the Infosys Limited Employees' Gratuity Fund Trust. In case of Infosys BPM and EdgeVerve, contributions are made to the Infosys BPM Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees Gratuity Fund Trust, respectively. Trustees administer contributions made to the trust as at March 31, 2025 and March 31, 2024, and contributions for gratuity are invested in a scheme with the Life Insurance Corporation of India as permitted by Indian law. The plan assets of the overseas defined benefit plan have been primarily invested in insurer managed funds and the asset allocation for plan assets is determined based on the investment criteria prescribed under the relevant regulations applicable to pension funds and the insurer managers. The insurers' investment are diversified and provide for guaranteed interest rates arrangements.

Actual return on assets (including remeasurements) of the gratuity plan for the year ended March 31, 2025 and March 31, 2024 were ₹173 crore and ₹145 crore, respectively and for the pension plan were ₹79 crore and ₹36 crore, respectively.

The contributions for gratuity are invested in a scheme with the Life Insurance Corporation of India as permitted by Indian law.

The table below sets out the details of major plan assets into various categories as at March 31, 2025 and March 31, 2024:

| Particulars | Pension | |
|---|---|---|
| | As at | |
| | March 31, 2025 | March 31, 2024 |
| Equity | 34% | 34% |
| Bonds | 30% | 32% |
| Real Estate/Property | 26% | 26% |
| Cash and Cash Equivalents | 1% | 1% |
| Other | 9% | 7% |

These defined benefit plans expose the Group to actuarial risk which are set out below:

Interest rate risk: The present value of the defined benefit plan liability is generally calculated using a discount rate determined by reference to government bond yields and in certain overseas jurisdictions, it is calculated in reference to government bond yield adjusted for a corporate spread. If bond yields fall, the defined benefit obligation will tend to increase.

Life expectancy and investment risk: The pension fund offers the choice between a lifelong pension and a cash lump sum upon retirement. The pension fund has defined rates for converting the lump sum to a pension and there is the risk that the members live longer than implied by these conversion rates and that the pension assets don't achieve the investment return implied by these conversion rates.

Asset volatility: A proportion of the pension fund is held in equities, which is expected to outperform corporate bonds in the long term but give exposure to volatility and risk in the short term. The pension fund board of insurer is responsible for the investment strategy and equity allocation is justified given the long-term investment horizon of the pension fund and the objective to provide a reasonable long term return on members' account balances.

**Sensitivity of significant assumptions used for valuation of defined benefit obligation:**

*(In ₹ crore)*

| Impact from | As at March 31, 2025 | |
|---|---|---|
| | Gratuity | Pension |
| | 1% point increase / decrease | 0.5% point increase / decrease |
| Discount rate | 135 | 55 |
| Weighted average rate of increase in compensation levels | 135 | 6 |

Sensitivity to significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation and keeping all other actuarial assumptions constant. In practice, this is not probable, and changes in some of the assumptions may be correlated.

The Group expects to contribute ₹370 crore to gratuity and ₹44 crore to pension during the fiscal 2026.

The maturity profile of defined benefit obligation is as follows:

*(In ₹ crore)*

| | Gratuity | Pension |
|---|---|---|
| Within 1 year | 349 | 72 |
| 1-2 year | 333 | 70 |
| 2-3 year | 345 | 72 |
| 3-4 year | 321 | 74 |
| 4-5 year | 289 | 75 |
| 5-10 years | 1,042 | 342 |

**2.22.2 Provident fund**

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

The following tables set out the funded status of the defined benefit provident fund plan of Infosys Limited and the amounts recognized in the Group's financial statements as at March 31, 2025 and March 31, 2024:

*(In ₹ crore)*

| Particulars | As at | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| **Change in benefit obligations** | | |
| Benefit obligations at the beginning | 11,879 | 10,527 |
| Service cost | 952 | 880 |
| Employee contribution | 1,683 | 1,652 |
| Interest expense | 862 | 764 |
| Actuarial (gains) / loss | 218 | 96 |
| Benefits paid | (1,727) | (2,040) |
| **Benefit obligations at the end** | **13,867** | **11,879** |
| **Change in plan assets** | | |
| Fair value of plan assets at the beginning | 11,812 | 10,184 |
| Interest income | 858 | 740 |
| Remeasurements- Return on plan assets excluding amounts included in interest income | 245 | 234 |
| Employer contribution | 1,057 | 1,042 |
| Employee contribution | 1,683 | 1,652 |
| Benefits paid | (1,727) | (2,040) |
| **Fair value of plan assets at the end** | **13,928** | **11,812** |
| Funded status surplus/(deficit) | 61 | (67) |
| Irrecoverable surplus - effect of asset ceiling | (61) | - |
| **Net liability (Refer note 2.15)** | **-** | **(67)** |

Amount for the year ended March 31, 2025 and March 31, 2024 recognized in the consolidated statement of profit and loss:

*(In ₹ crore)*

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| Service cost | 952 | 880 |
| Net interest on the net defined benefit liability / asset | 4 | 24 |
| **Net provident fund cost** | **956** | **904** |

Amount for the year ended March 31, 2025 and March 31, 2024 recognized in the Consolidated Statement of Other Comprehensive Income:

*(In ₹ crore)*

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| **Remeasurements of the net defined benefit liability / (asset)** | | |
| Actuarial (gains) / losses | 218 | 96 |
| (Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset) | (245) | (234) |
| Irrecoverable surplus - effect of asset ceiling | 61 | - |
| | **34** | **(138)** |

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

| Particulars | As at | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| Government of India (GOI) bond yield [(1)] | 6.50% | 7.00% |
| Expected rate of return on plan assets | 8.00% | 8.20% |
| Remaining term to maturity of portfolio | 6 years | 6 years |
| Expected guaranteed interest rate | 8.25% | 8.25% |

[(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, 2025 and March 31, 2024 are as follows:

| Particulars | As at | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| Central and State government bonds | 60% | 60% |
| Public sector undertakings and Private sector bonds | 28% | 30% |
| Others | 12% | 10% |

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

The actuarial valuation of provident fund liability exposes the Group to interest rate risk. The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

As at March 31, 2025 the defined benefit obligation would be affected by approximately ₹129 crore on account of a 0.25% increase / decrease in the expected rate of return on plan assets.

The Group contributed ₹1,323 crore and ₹1,257 crore to the provident fund during the year ended March 31, 2025 and March 31, 2024, respectively. The same has been recognized in the Consolidated Statement of Profit and Loss under the head employee benefit expense.

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

**2.22.3 Superannuation**

The Group contributed ₹512 crore and ₹513 crore during the year ended March 31, 2025 and March 31, 2024, respectively and the same has been recognized in the Consolidated Statement of Profit and Loss under the head employee benefit expense.

**2.22.4 Employee benefit costs include:**

*(In ₹ crore)*

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| Salaries and bonus[(1)] | 83,739 | 80,532 |
| Defined contribution plans | 677 | 670 |
| Defined benefit plans | 1,534 | 1,418 |
| | **85,950** | **82,620** |

*(1)Includes employee stock compensation expense of ₹802 crore and ₹652 crore for the year ended March 31, 2025 and March 31, 2024 respectively.*

## 2.23 EARNINGS PER EQUITY SHARE

**Accounting policy**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group 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 Group 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 the computation of basic earnings per equity share:

| **Particulars** | **Year ended March 31,** | |
|---|---|---|
| | **2025** | **2024** |
| **Profit attributable to equity holders of the Company** *(in ₹ crore)* | 26,713 | 26,233 |
| Basic earnings per equity share - weighted average number of equity shares outstanding [(1)] | 4,141,611,738 | 4,138,568,090 |
| **Basic earnings per equity share (₹)** | 64.50 | 63.39 |

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

| **Particulars** | **Year ended March 31,** | |
|---|---|---|
| | **2025** | **2024** |
| **Profit attributable to equity holders of the Company** ***(in ₹ crore)*** | 26,713 | 26,233 |
| Weighted average number of equity shares outstanding used in computing in basic earnings per equity share [(1)] | 4,141,611,738 | 4,138,568,090 |
| Effect of dilutive common equivalent shares - share options outstanding | 10,439,446 | 6,112,335 |
| Weighted average number of equity shares and common equivalent shares outstanding used in computing diluted earnings per equity share | 4,152,051,184 | 4,144,680,425 |
| **Diluted earnings per equity share (₹)** | **64.34** | **63.29** |

[(1)] *excludes treasury shares*

For the years ended March 31, 2025 and March 31, 2024, there were 13,931 and 1,19,711 options to purchase equity shares which had an anti-dilutive effect.

## 2.24 CONTINGENT LIABILITIES AND COMMITMENTS

**Accounting policy**

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

### 2.24.1 Contingent liability

*(In ₹ crore)*

| Particulars | As at | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| **Contingent liabilities :** | | |
| Claims against the Group, not acknowledged as debts[(1)] | 2,953 | 3,583 |
| [Amount paid to statutory authorities ₹4,207 crore *(₹8,754 crore)* ] | | |

[(1)] As at March 31, 2025 and March 31, 2024, claims against the Group not acknowledged as debts in respect of income tax matters amounted to ₹1,933 crore and ₹2,794 crore, respectively.

The claims against the Group primarily represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of issues of disallowance of expenditure towards software being held as capital in nature, payments made to Associated Enterprises held as liable for withholding of taxes, among others. These matters are pending before various Income Tax Authorities and the Management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group's financial position and results of operations.

Amount paid to statutory authorities against the tax claims amounted to ₹4,199 crore and ₹8,743 crore as at March 31, 2025 and March 31, 2024, respectively.

### 2.24.2 Legal Proceedings

**McCamish Cybersecurity incident**

In November 2023, certain systems of Infosys McCamish Systems LLC ("McCamish"), a subsidiary of Infosys BPM Limited (a wholly owned subsidiary of Infosys Limited), were encrypted by ransomware, resulting in the non-availability of certain applications and systems. McCamish initiated its incident response and engaged cybersecurity and other specialists to assist in its investigation of and response to the incident and remediation and restoration of impacted applications and systems. By December 31, 2023, McCamish, with external specialists' assistance, substantially remediated and restored the affected applications and systems. Actions taken by McCamish included investigative analysis conducted by a third-party cybersecurity firm to determine, among other things, whether and the extent to which company or customer data was subject to unauthorized access or exfiltration. McCamish also engaged a third-party eDiscovery vendor in assessing the extent and nature of such data. McCamish in coordination with its third-party eDiscovery vendor has identified corporate customers and individuals whose information was subject to unauthorized access and exfiltration. McCamish processes personal data on behalf of its corporate customers.

From March 6, 2024 through July 25, 2024, six actions were filed in the U.S. District Court for the Northern District of Georgia against McCamish. The actions arise out of the cybersecurity incident at McCamish initially disclosed on November 3, 2023. All six actions have since been consolidated, and the consolidated class action complaint was filed on November 7, 2024, purportedly on behalf of all persons residing in the United States whose personally identifiable information was compromised in the incident, including all who were sent a notice of the incident. On December 20, 2024, the Court granted the parties' joint motion to stay proceedings pending the parties' efforts to resolve the lawsuit through mediation. On March 13, 2025, McCamish and the plaintiffs engaged in mediation, resulting in an in-principle agreement that sets forth the terms of a proposed settlement of the class action lawsuits against McCamish, as well as seven class action lawsuits arising out of the incident that have been filed against McCamish's customers. Under the settlement terms, McCamish has agreed to pay $17.5 million (approximately ₹150 crore) into a fund to settle these matters. The agreed terms are subject to finalization of the terms of the settlement agreement, and preliminary and final court approval. If approved, the settlement will resolve all allegations made in the class action lawsuits without admission of any liability. McCamish has recorded an accrual of $17.5 million (approximately ₹150 crore) related to the settlement. McCamish has recognized an insurance reimbursement receivable of $17 million (approximately ₹145 crore) which has been offset against the settlement expense of $17.5 million (approximately ₹150 crore) in the Statement of Profit and Loss. McCamish may incur additional costs including from indemnities or damages/claims, which are indeterminable at this

**Others**

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

### 2.24.3 Commitments

*(In ₹ crore)*

| Particulars | As at | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)[(1)] | 935 | 780 |
| Other commitments* | 122 | 79 |

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

** Uncalled capital pertaining to investments*

## 2.25 RELATED PARTY TRANSACTIONS

**List of related parties:**

| Name of subsidiaries | Country | Holdings as at | |
|---|---|---|---|
| | | March 31, 2025 | March 31, 2024 |
| Infosys Technologies (China) Co. Limited (Infosys China)[1] | China | 100% | 100% |
| Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[1] | Mexico | 100% | 100% |
| Infosys Technologies (Sweden) AB (Infosys Sweden)[1] | Sweden | 100% | 100% |
| Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[1] | China | 100% | 100% |
| EdgeVerve Systems Limited (EdgeVerve)[1] | India | 100% | 100% |
| Infosys Austria GmbH[1] | Austria | 100% | 100% |
| Skava Systems Private Limited (Skava Systems)[1][35] | India | - | 100% |
| Infosys Chile SpA[1] | Chile | 100% | 100% |
| Infosys Arabia Limited[2][20] | Saudi Arabia | 70% | 70% |
| Infosys Consulting Ltda.[1] | Brazil | 100% | 100% |
| Infosys Luxembourg S.a.r.l[1] | Luxembourg | 100% | 100% |
| Infosys Americas Inc. (Infosys Americas)[1][23] | U.S. | - | - |
| Infosys Consulting S.R.L.[2] | Argentina | 100% | 100% |
| Infosys Romania S.r.l. (formerly Infosys Consulting S.R.L. (Romania))[1] | Romania | 100% | 100% |
| Infosys Limited Bulgaria EOOD[1] | Bulgaria | 100% | 100% |
| Infosys Turkey Bilgi Teknolojileri Limited Sirketi[1] | Turkey | 100% | 100% |
| Infosys Germany Holding Gmbh[1] | Germany | 100% | 100% |
| Infosys Automotive and Mobility GmbH & Co. KG[1] | Germany | 100% | 100% |
| Infosys Green Forum[1] | India | 100% | 100% |
| Infosys Business Solutions LLC[1] | Qatar | 100% | 100% |
| WongDoody Inc.[1][37] | U.S. | - | 100% |
| IDUNN Information Technology Private Limited (formerly Danske IT and Support Services India Private Limited ("Danske IT"))[1][25] | India | 100% | 100% |
| Infosys Public Services, Inc. USA (Infosys Public Services)[1] | U.S. | 100% | 100% |
| Infosys Public Services Canada Inc.[11] | Canada | 100% | 100% |
| Infosys BPM Limited[1] | India | 100% | 100% |
| Infosys BPM UK Limited[3] | U.K. | 100% | 100% |
| Infosys (Czech Republic) Limited s.r.o.[3] | Czech Republic | 100% | 100% |
| Infosys Poland Sp z.o.o[3] | Poland | 100% | 100% |
| Infosys McCamish Systems LLC[3] | U.S. | 100% | 100% |
| Portland Group Pty Ltd[3] | Australia | 100% | 100% |
| Infosys BPO Americas LLC.[3] | U.S. | 100% | 100% |
| Infosys BPM Canada Inc[3][24][29] | Canada | - | - |
| Panaya Inc. (Panaya)[1] | U.S. | 100% | 100% |
| Panaya Ltd.[4] | Israel | 100% | 100% |
| Panaya Germany GmbH[4] | Germany | 100% | 100% |
| Brilliant Basics Holdings Limited (Brilliant Basics)[1][20] | U.K. | 100% | 100% |
| Brilliant Basics Limited[5][20] | U.K. | 100% | 100% |
| Infosys Consulting Holding AG[1] | Switzerland | 100% | 100% |
| Infosys Management Consulting Pty Limited[6] | Australia | 100% | 100% |
| Infosys Consulting AG[6] | Switzerland | 100% | 100% |
| Infosys Consulting GmbH[6] | Germany | 100% | 100% |
| Infosys Consulting SAS[6] | France | 100% | 100% |
| Infy Consulting B.V.[6] | The Netherlands | 100% | 100% |
| Infosys Consulting (Belgium) NV[6] | Belgium | 100% | 100% |
| Infy Consulting Company Ltd[6] | U.K. | 100% | 100% |
| GuideVision s.r.o.[7] | Czech Republic | 100% | 100% |
| GuideVision Deutschland GmbH[8] | Germany | 100% | 100% |
| GuideVision Suomi Oy[8] | Finland | 100% | 100% |
| GuideVision Magyarország Kft[8] | Hungary | 100% | 100% |
| GuideVision Polska Sp. z.o.o[8] | Poland | 100% | 100% |
| GuideVision UK Ltd[8][20] | U.K. | 100% | 100% |
| Infosys Nova Holdings LLC. (Infosys Nova)[1] | U.S. | 100% | 100% |
| Outbox systems Inc. dba Simplus (US)[9][38] | U.S. | - | 100% |
| Simplus ANZ Pty Ltd.[9] | Australia | 100% | 100% |
| Simplus Australia Pty Ltd[10] | Australia | 100% | 100% |
| Simplus Philippines, Inc.[9] | Philippines | 100% | 100% |
| Kaleidoscope Animations, Inc.[9][38] | U.S. | - | 100% |
| Kaleidoscope Prototyping LLC[17][27] | U.S. | - | - |
| Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[9][38] | U.S. | - | 100% |
| Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[1] | Singapore | 100% | 100% |
| Infosys Financial Services GmbH. (formerly Panaya GmbH)[12] | Germany | 100% | 100% |
| Infosys South Africa (Pty) Ltd[12] | South Africa | 100% | 100% |
| Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[12] | Malaysia | 100% | 100% |
| Infosys Middle East FZ LLC[12] | Dubai | 100% | 100% |
| Infosys Norway[12] | Norway | 100% | 100% |
| Infosys Compaz Pte. Ltd[13] | Singapore | 60% | 60% |
| HIPUS Co., Ltd[13] | Japan | 81% | 81% |
| Fluido Oy[12] | Finland | 100% | 100% |
| Fluido Sweden AB[14] | Sweden | 100% | 100% |
| Fluido Norway A/S[14] | Norway | 100% | 100% |
| Fluido Denmark A/S[14] | Denmark | 100% | 100% |
| Fluido Slovakia s.r.o[14] | Slovakia | 100% | 100% |

| | | | |
|---|---|---|---|
| Infosys Fluido UK, Ltd.[14] | U.K. | 100% | 100% |
| Infosys Fluido Ireland, Ltd.[15] | Ireland | 100% | 100% |
| Stater N.V.[13] | The Netherlands | 75% | 75% |
| Stater Nederland B.V.[16] | The Netherlands | 75% | 75% |
| Stater XXL B.V.[16] | The Netherlands | 75% | 75% |
| HypoCasso B.V.[16] | The Netherlands | 75% | 75% |
| Stater Participations B.V.[28] | The Netherlands | - | - |
| Stater Belgium N.V./S.A.[16][28] | Belgium | 75% | 75% |
| Stater Gmbh[16] | Germany | 75% | 75% |
| Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[12] | Germany | 100% | 100% |
| Wongdoody Gmbh (formerly known as oddity GmbH) [18] | Germany | 100% | 100% |
| WongDoody (Shanghai) Co. Limited (formerly known as oddity (Shanghai) Co., Ltd.) [19] | China | 100% | 100% |
| WongDoody limited (Taipei) (formerly known as oddity Limited (Taipei)) [19] | Taiwan | 100% | 100% |
| oddity space GmbH [18][26] | Germany | - | - |
| oddity jungle GmbH [18][26] | Germany | - | - |
| oddity code GmbH [18][26] | Germany | - | - |
| WongDoody d.o.o (formerly known as oddity code d.o.o) [19][26] | Serbia | 100% | 100% |
| oddity waves GmbH [18][26] | Germany | - | - |
| oddity group services GmbH [18][26] | Germany | - | - |
| BASE life science A/S [12] | Denmark | 100% | 100% |
| BASE life science AG [21] | Switzerland | 100% | 100% |
| BASE life science GmbH [21] | Germany | 100% | 100% |
| BASE life science S.A.S [21] | France | 100% | 100% |
| BASE life science Ltd. [21] | U.K. | 100% | 100% |
| BASE life science S.r.l. [21] | Italy | 100% | 100% |
| Innovisor Inc.[21] | U.S. | 100% | 100% |
| BASE life science Inc.[21] | U.S. | 100% | 100% |
| BASE life science S.L.[21] | Spain | 100% | 100% |
| InSemi Technology Services Private Limited [30] | India | 100% | 100% |
| Elbrus Labs Private Limited [30][22] | India | 100% | - |
| Infosys Services (Thailand) Limited [1][32] | Thailand | 100% | - |
| Infy tech SAS [12][31] | France | 100% | - |
| in-tech Holding GmbH [33][39] | Germany | - | - |
| in-tech GmbH [33] | Germany | 100% | - |
| Friedrich & Wagner Asia Pacific GmbH [33][39] | Germany | - | - |
| drivetech Fahrversuch GmbH [33] | Germany | 100% | - |
| ProIT [33] | Romania | 100% | - |
| in-tech Automotive Engineering de R.L. de C.V [33][20] | Mexico | 100% | - |
| Friedrich Wagner Holding Inc.[33][20] | U.S. | 100% | - |
| in-tech Automotive Engineering SL [33] | Spain | 100% | - |
| in-tech Automotive Engineering LLC [33][36] | U.S. | - | - |
| in-tech Services LLC [33][36] | U.S. | - | - |
| in-tech Engineering s.r.o [33] | Czech Republic | 100% | - |
| in-tech Engineering GmbH [33] | Austria | 100% | - |
| in-tech Engineering services S.R.L [33] | Romania | 100% | - |
| in-tech Group Ltd [33] | U.K. | 100% | - |
| In-tech Automotive Engineering Shenyang Co. Ltd [33] | China | 100% | - |
| in-tech Group India Private Ltd [33] | India | 100% | - |
| In-tech Automotive Engineering Beijing Co., Ltd [33] | China | 100% | - |
| Blitz 24-893 SE [34] | Germany | 100% | - |
| Infosys Limited SPC [1][40] | Oman | 100% | - |
| Infosys BPM Netherlands B.V. [3][41] | The Netherlands | 100% | - |

[1] Wholly-owned subsidiary of Infosys Limited

[2] Majority owned and controlled subsidiary of Infosys Limited

[3] Wholly-owned subsidiary of Infosys BPM Limited

[4] Wholly-owned subsidiary of Panaya Inc.

[5] Wholly-owned subsidiary of Brilliant Basics Holding Limited.

[6] Wholly-owned subsidiary of Infosys Consulting Holding AG

[7] Wholly-owned subsidiary of Infy Consulting Company Limited

[8]Wholly-owned subsidiary of GuideVision s.r.o.

[9] Wholly-owned subsidiary of Infosys Nova Holdings LLC

[10] Wholly-owned subsidiary of Simplus ANZ Pty Ltd

[11]Wholly-owned subsidiary of Infosys Public Services, Inc.

[12] Wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

[13]Majority owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

[14]Wholly-owned subsidiary of Fluido Oy

[15]Wholly-owned subsidiary of Infosys Fluido UK, Ltd.

[16]Wholly-owned subsidiary of Stater N.V

[17] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

[18]Wholly-owned subsidiary of Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))

[19] Wholly-owned subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH)

[20] Under liquidation

[21] Wholly-owned subsidiary of BASE life science A/S

[22] Wholly-owned subsidiary of InSemi Technology Services Private Limited

[23] Liquidated effective July 14, 2023

[24] Incorporated on August 11, 2023

[25] On September 1, 2023 Infosys Ltd. acquired 100% of voting interests in IDUNN Information Technology Private Limited (formerly Danske IT and Support Services India Private Limited ("Danske IT"))

[26] On September 29, 2023, oddity space GmbH, oddity waves GmbH, oddity jungle GmbH, oddity group services GmbH and oddity code GmbH merged into WongDoody GmbH and oddity code d.o.o which was formerly a subsidiary of oddity code Gmbh has become a subsidiary of Wongdoody Gmbh (formerly known as oddity GmbH).

[27] Kaleidoscope Prototyping LLC, a Wholly-owned subsidiary of Kaleidoscope Animations is liquidated effective November 1, 2023

[28] On November 24, 2023 Stater Participations B.V (Wholly-owned subsidiary of Stater N.V) merged with Stater N.V and Stater Belgium N.V./S.A which was formerly a wholly owned subsidiary of Stater Participations B.V. became a wholly owned subsidiary of Stater N.V

[29] On March 15, 2024 Infosys BPM Canada Inc., a Wholly-owned subsidiary of Infosys BPM Limited got dissolved.

[30] On May 10, 2024 Infosys Ltd. acquired 100% of voting interests in InSemi Technology Services Private Limited along with its subsidiary Elbrus Labs Private Limited

[31] Incorporated on July 03, 2024

[32] Incorporated on July 26, 2024

[33] On July 17, 2024, Infosys Germany GmbH, a wholly owned subsidiary of Infosys Singapore Pte. Limited, acquired 100% of voting interests in in-tech Holding GmbH along with its subsidiary in-tech GmbH along with its six subsidiaries in-tech Automotive Engineering SL, ProIT, in-tech Automotive Engineering de R.L. de C.V, drivetech Fahrversuch GmbH, Friedrich Wagner Holding Inc along with its two subsidiaries (in-tech Automotive Engineering LLC and in-tech Services LLC) and Friedrich & Wagner Asia Pacific GmbH along with its five subsidiaries in-tech engineering s.r.o, in-tech engineering GmbH, in-tech engineering services S.R.L, in-tech Group Ltd along with its subsidiary (in-tech Group India Private Limited) and In-tech Automotive Engineering Shenyang Co., Ltd along with its subsidiary (In-tech Automotive Engineering Beijing Co., Ltd). Subsequently on September 01, 2024 in-tech Group India Private Limited became a wholly-owned subsidiary of Infosys limited.

[34] On October 17, 2024, Infosys Singapore Pte Ltd. acquired 100% of voting interests in Blitz 24-893 SE

[35] Liquidated effective November 14, 2024

[36] Liquidated effective November 30, 2024

[37] WongDoody Inc, a wholly-owned subsidiary of Infosys limited merged into Infosys Nova Holdings LLC effective January 1, 2025

[38] Kaleidoscope Animations, Blue Acorn iCi Inc and Outbox systems Inc. dba Simplus (US) merged into Infosys Nova Holdings LLC effective January 1,2025

[39] in-tech Holding GmbH and Friedrich & Wagner Asia Pacific GmbH merged into in-tech GmbH effective January 1,2025

[40] Incorporated on December 12, 2024

[41] Incorporated on March 20, 2025

**List of other related party**

| Particulars | Country | Nature of relationship |
|---|---|---|
| Infosys Limited Employees' Gratuity Fund Trust | India | Post-employment benefit plan of Infosys |
| Infosys Limited Employees' Provident Fund Trust | India | Post-employment benefit plan of Infosys |
| Infosys Limited Employees' Superannuation Fund Trust | India | Post-employment benefit plan of Infosys |
| Infosys BPM Limited Employees' Superannuation Fund Trust | India | Post-employment benefit plan of Infosys BPM |
| Infosys BPM Limited Employees' Gratuity Fund Trust | India | Post-employment benefit plan of Infosys BPM |
| EdgeVerve Systems Limited Employees' Gratuity Fund Trust | India | Post-employment benefit plan of EdgeVerve |
| EdgeVerve Systems Limited Employees' Superannuation Fund Trust | India | Post-employment benefit plan of EdgeVerve |
| Infosys Employees Welfare Trust | India | Controlled trust |
| Infosys Employee Benefits Trust | India | Controlled trust |
| Infosys Science Foundation | India | Controlled trust |
| Infosys Expanded Stock Ownership Trust | India | Controlled trust |
| Infosys Foundation [(1)] | India | Trust jointly controlled by KMPs |

Refer to Note 2.22 for information on transactions with post-employment benefit plans mentioned above.

*[(1)] During the year ended March 31, 2025 and March 31, 2024, the Group contributed ₹434 crore and ₹408 crore, respectively towards CSR.*

**List of key management personnel**

**Whole-time Directors**

Salil Parekh, Chief Executive Officer and Managing Director

**Non-whole-time Directors**

Nandan M. Nilekani

D. Sundaram

Micheal Gibbs

Bobby Parikh

Chitra Nayak

Govind Iyer

Helene Auriol Potier (appointed as independent director effective May 26, 2023)

Nitin Paranjpe (appointed as an additional and independent director effective January 1, 2024)

Uri Levine (retired as independent director effective April 19, 2023)

**Executive Officers**

Inderpreet Sawhney, Chief Legal Officer and Chief Compliance Officer

Jayesh Sanghrajka (appointed as Chief Financial Officer effective April 1, 2024)

Nilanjan Roy (resigned as Chief Financial Officer of the Company effective March 31, 2024)

Shaji Mathew , Chief Human Resources Officer

Mohit Joshi (resigned as President effective March 11, 2023 and was on leave till June 9, 2023 which was his last date with the Company)

**Company Secretary**

A.G.S. Manikantha

**Transaction with key management personnel:**

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

*(In ₹ crore)*

| **Particulars** | **Year ended March 31,** | |
|---|---|---|
| | **2025** | **2024** |
| Salaries and other short term employee benefits to whole-time directors and executive officers [(1)(2)] | 118 | 113 |
| Commission and other benefits to non-executive/independent directors | 19 | 17 |
| **Total** | **137** | **130** |

*(1) Total employee stock compensation expense for the year ended March 31, 2025 and March 31, 2024 includes a charge of ₹70 crore and ₹68 crore, respectively, towards key management personnel. (Refer to Note 2.12)*

*(2) Does not include post-employment benefits and other long-term benefits based on actuarial valuation as these are done for the Company as a whole.*

**Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements**

*(In ₹ crore)*

| Name of entity | Net Assets | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | as % age of consolidated net assets | Amount | as % age of consolidated profit or loss | Amount | as % age of consolidated other comprehensive income | Amount | as % age of consolidated total comprehensive income | Amount |
| Infosys Limited | 75.24% | 87,332 | 87.99% | 25,568 | 100.00% | 105 | 88.03% | 25,673 |
| | | | | | | | | |
| *Indian Subsidiaries* | | | | | | | | |
| Infosys BPM Limited | 2.82% | 3,276 | 2.66% | 773 | (3.81%) | (4) | 2.64% | 769 |
| EdgeVerve Systems Limited (EdgeVerve) | 1.54% | 1,783 | 3.77% | 1,095 | (0.95%) | (1) | 3.75% | 1,094 |
| Infosys Green Forum | 0.26% | 304 | 0.02% | 6 | - | - | 0.02% | 6 |
| Danske IT and Support Services India Private Limited ("DIT") | 0.07% | 79 | - | - | - | - | - | - |
| Skava Systems Pvt. Ltd. (Skava Systems) | - | - | - | - | - | - | - | - |
| Elbrus Labs Private Limited | 0.00% | 4 | - | - | - | - | - | - |
| Insemi Technology Service Private Limited | 0.04% | 42 | (0.02%) | (5) | - | - | (0.02%) | (5) |
| in-tech Group India Private Ltd, | 0.00% | 1 | - | - | - | - | - | - |
| | | | | | | | | |
| *Foreign Subsidiaries* | | | | | | | | |
| Infosys Technologies (China) Co. Limited (Infosys China) | 0.61% | 706 | 0.53% | 153 | - | - | 0.52% | 153 |
| Infosys Technologies S. de R. L. de C. V. (Infosys Mexico) | 0.47% | 548 | 0.29% | 85 | - | - | 0.29% | 85 |
| Infosys Technologies (Sweden) AB. (Infosys Sweden) | 0.22% | 250 | 0.19% | 56 | - | - | 0.19% | 56 |
| Infosys Technologies (Shanghai) Company Limited (Infosys Shangh | 0.33% | 379 | (0.25%) | (72) | - | - | (0.25%) | (72) |
| Panaya Inc. (Panaya) | 0.16% | 189 | (0.03%) | (8) | - | - | (0.03%) | (8) |
| Infosys Nova Holdings LLC. (Infosys Nova) | 2.57% | 2,978 | 0.31% | 89 | - | - | 0.31% | 89 |
| Panaya Ltd | (0.14%) | (161) | 0.64% | 187 | - | - | 0.64% | 187 |
| Infosys Financial Services GmbH (Formerly known as Panaya Gmbl | 0.00% | 4 | 0.00% | 1 | - | - | 0.00% | 1 |
| Infosys Middle East FZ LLC | (0.01%) | (8) | 0.01% | 3 | 1.90% | 2 | 0.02% | 5 |
| Infosys Chile SpA | 0.05% | 59 | 0.08% | 22 | - | - | 0.08% | 22 |
| WongDoody, Inc | - | - | 0.17% | 48 | - | - | 0.16% | 48 |
| Fluido Oy | 0.13% | 151 | 0.07% | 20 | - | - | 0.07% | 20 |
| Fluido Sweden AB (Extero) | 0.07% | 78 | 0.06% | 18 | - | - | 0.06% | 18 |
| Fluido Norway A/S | 0.06% | 66 | 0.03% | 10 | - | - | 0.03% | 10 |
| Fluido Denmark A/S | (0.01%) | (8) | 0.02% | 7 | - | - | 0.02% | 7 |
| Fluido Slovakia s.r.o | 0.01% | 7 | 0.00% | 1 | - | - | 0.00% | 1 |
| Infosys Fluido UK Ltd | (0.00%) | (4) | 0.03% | 10 | - | - | 0.03% | 10 |
| Infosys Fluido Ireland Ltd | 0.01% | 7 | 0.01% | 3 | - | - | 0.01% | 3 |
| Infosys Consulting Holding AG | 0.50% | 582 | 0.51% | 147 | - | - | 0.50% | 147 |
| Infosys Management Consulting Pty Ltd | 0.06% | 72 | 0.07% | 20 | - | - | 0.07% | 20 |
| Infosys Consulting AG | 0.14% | 162 | 0.11% | 33 | 3.81% | 4 | 0.13% | 37 |
| Infosys Consulting (Belgium) NV | - | - | 0.01% | 4 | - | - | 0.01% | 4 |
| Infosys Consulting GmbH | 0.14% | 165 | 0.11% | 33 | - | - | 0.11% | 33 |
| Infosys Singapore Pte. Ltd | 5.84% | 6,782 | (0.00%) | (1) | - | - | (0.00%) | (1) |
| Infosys Consulting SAS | 0.01% | 10 | 0.02% | 5 | - | - | 0.02% | 5 |
| Infosys Consulting S.R.L. (Argentina) | (0.01%) | (17) | (0.11%) | (31) | - | - | (0.11%) | (31) |
| Infosys Austria GMBH | 0.00% | 3 | 0.01% | 4 | - | - | 0.01% | 4 |
| Infy Consulting B.V. | 0.06% | 65 | 0.02% | 7 | - | - | 0.02% | 7 |
| Infosys Consulting Ltda | 0.14% | 167 | 0.16% | 46 | - | - | 0.16% | 46 |
| Infosys Consulting S.R.L. | 0.12% | 134 | 0.09% | 26 | - | - | 0.09% | 26 |
| Infosys McCamish Systems LLC | 1.06% | 1,233 | 0.26% | 76 | - | - | 0.26% | 76 |
| Stater N.V. | 0.37% | 432 | 0.47% | 138 | - | - | 0.47% | 138 |
| Stater Nederland B.V. | 0.11% | 133 | (0.27%) | (78) | - | - | (0.27%) | (78) |
| Stater XXL B.V. | - | - | - | - | - | - | - | - |
| HypoCasso B.V. | 0.02% | 23 | 0.04% | 11 | - | - | 0.04% | 11 |
| Stater Gmbh | (0.05%) | (61) | (0.10%) | (29) | - | - | (0.10%) | (29) |
| Stater Belgium N.V./S.A. | 0.10% | 113 | 0.07% | 20 | 0.95% | 1 | 0.07% | 21 |
| Infosys South Africa (Pty) Ltd | 0.01% | 10 | - | - | - | - | - | - |
| Infosys Limited Bulgaria EOOD | 0.01% | 13 | 0.02% | 5 | - | - | 0.02% | 5 |
| Kaleidoscope Animations, Inc. | - | - | 0.16% | 46 | - | - | 0.16% | 46 |
| Blue Acorn iCi Inc (formerly known as Beringer Commerce Inc) | - | - | 0.18% | 53 | - | - | 0.18% | 53 |
| GuideVision, s.r.o.. | 0.13% | 152 | 0.14% | 41 | - | - | 0.14% | 41 |
| GuideVision Deutschland GmbH | (0.01%) | (9) | - | - | - | - | - | - |
| GuideVision Suomi Oy | (0.00%) | (3) | (0.01%) | (3) | - | - | (0.01%) | (3) |
| GuideVision Magyarország Kft. | (0.00%) | (1) | (0.00%) | (1) | - | - | (0.00%) | (1) |
| GuideVision Polska SP. Z O.O. | - | - | - | - | - | - | - | - |
| GuideVision UK Ltd | 0.00% | 2 | - | - | - | - | - | - |
| Infosys Germany Holding Gmbh | 0.00% | 1 | (0.00%) | (1) | - | - | (0.00%) | (1) |
| Infosys Automotive and Mobility GmbH & Co. KG | (1.07%) | (1,239) | (0.83%) | (240) | 0.95% | 1 | (0.82%) | (239) |
| Infosys Turkey Bilgi Teknolojikeri Limited Sirketi | 0.01% | 8 | (0.08%) | (23) | - | - | (0.08%) | (23) |
| Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall") | 3.50% | 4,065 | (0.18%) | (53) | - | - | (0.18%) | (53) |
| WongDoody GmbH (formerly known as oddity GmbH ) | 0.03% | 36 | (0.06%) | (17) | - | - | (0.06%) | (17) |
| oddity (Shanghai) Co., Ltd. | 0.01% | 6 | 0.00% | 1 | - | - | 0.00% | 1 |
| oddity Limited(Taipei) | 0.00% | 1 | 0.00% | 1 | - | - | 0.00% | 1 |
| Wongdoody D.O.O | 0.01% | 6 | 0.00% | 1 | - | - | 0.00% | 1 |
| Infosys Business Solutions LLC | 0.04% | 48 | 0.06% | 16 | - | - | 0.05% | 16 |
| Panaya Germany GmbH | (0.00%) | (1) | 0.00% | 1 | - | - | 0.00% | 1 |

| Name of entity | Net Assets | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | as % age of consolidated net assets | Amount | as % age of consolidated profit or loss | Amount | as % age of consolidated other comprehensive income | Amount | as % age of consolidated total comprehensive income | Amount |
| Infosys Arabia Limited | 0.00% | 4 | - | - | - | - | - | - |
| Infosys Norway | 0.00% | 1 | - | - | - | - | - | - |
| Outbox systems Inc. dba Simplus (US) | - | - | 0.12% | 34 | - | - | 0.12% | 34 |
| Simplus Australia Pty Ltd | 0.01% | 16 | 0.04% | 12 | - | - | 0.04% | 12 |
| Simplus Philippines, Inc. | 0.02% | 19 | 0.01% | 4 | - | - | 0.01% | 4 |
| Simplus ANZ Pty Ltd. | - | - | - | - | - | - | - | - |
| BASE life science AG | (0.00%) | (3) | (0.10%) | (28) | (2.86%) | (3) | (0.11%) | (31) |
| BASE life science GmbH | (0.00%) | (1) | 0.01% | 3 | - | - | 0.01% | 3 |
| BASE life science A/S | 0.01% | 10 | (0.28%) | (80) | - | - | (0.27%) | (80) |
| BASE life science S.A.S | 0.00% | 2 | 0.01% | 2 | - | - | 0.01% | 2 |
| BASE life science Ltd. | 0.01% | 8 | 0.01% | 3 | - | - | 0.01% | 3 |
| BASE life science S.r.l. | (0.00%) | (1) | (0.00%) | (1) | - | - | (0.00%) | (1) |
| Innovisor Inc. | - | - | - | - | - | - | - | - |
| BASE life science Inc. | (0.00%) | (2) | (0.00%) | (1) | - | - | (0.00%) | (1) |
| BASE life science S.L. | 0.01% | 12 | 0.02% | 5 | - | - | 0.02% | 5 |
| Infosys Public Services, Inc. USA (Infosys Public Services) | 1.50% | 1,745 | 1.16% | 338 | - | - | 1.16% | 338 |
| Infosys Luxembourg S.a.r.l | 0.05% | 57 | 0.06% | 17 | - | - | 0.06% | 17 |
| Infosys Compaz PTE Ltd | 0.26% | 303 | 0.30% | 87 | - | - | 0.30% | 87 |
| Infy Consulting Company Limited | 0.29% | 334 | 0.26% | 75 | - | - | 0.26% | 75 |
| Infosys Poland Sp. Z.o.o | 1.06% | 1,227 | 0.50% | 145 | - | - | 0.50% | 145 |
| Portland Group Pty Ltd | 0.04% | 50 | - | - | - | - | - | - |
| Infosys BPO Americas LLC | 0.08% | 96 | 0.06% | 18 | - | - | 0.06% | 18 |
| Infosys (Czech Republic) Limited s.r.o. | 0.09% | 103 | (0.03%) | (9) | - | - | (0.03%) | (9) |
| HIPUS Co., Ltd | 0.13% | 149 | 0.11% | 31 | - | - | 0.11% | 31 |
| Global Enterprise International (Malaysia) Sdn. Bhd. | 0.02% | 25 | 0.03% | 8 | - | - | 0.03% | 8 |
| Infosys BPM UK Limited | 0.02% | 22 | - | - | - | - | - | - |
| Infosys Public Services Canada Inc. | 0.03% | 31 | 0.02% | 7 | - | - | 0.02% | 7 |
| Brilliant Basics Holdings Limited | 0.06% | 70 | 0.00% | 1 | - | - | 0.00% | 1 |
| Brilliant Basics Limited | 0.00% | 1 | - | - | - | - | - | - |
| Infy tech SAS | - | - | - | - | - | - | - | - |
| In-tech Automotive Engineering Shenyang Co. Ltd | 0.01% | 11 | 0.01% | 2 | - | - | 0.01% | 2 |
| In-tech Automotive Engineering Beijing Co., Ltd | 0.01% | 9 | 0.00% | 1 | - | - | 0.00% | 1 |
| in-tech Holding GmbH | 0.07% | 83 | 0.02% | 5 | - | - | 0.02% | 5 |
| in-tech GmbH | 0.41% | 471 | 0.07% | 21 | - | - | 0.07% | 21 |
| drivetech Fahrversuch GmbH | 0.01% | 6 | 0.01% | 2 | - | - | 0.01% | 2 |
| Friedrich & Wagner Asia Pacific GmbH | - | - | 0.03% | 10 | - | - | 0.03% | 10 |
| ProIT,S.R.L | 0.02% | 19 | 0.01% | 3 | - | - | 0.01% | 3 |
| in-tech Engineering services S.R.L, RO | 0.01% | 7 | 0.00% | 1 | - | - | 0.00% | 1 |
| in-tech Automotive Engineering SL | (0.00%) | (4) | - | - | - | - | - | - |
| in-tech Engineering GmbH, Austria | 0.01% | 9 | 0.01% | 3 | - | - | 0.01% | 3 |
| in-tech Automotive Engineering LLC | - | - | - | - | - | - | - | - |
| Friedrich & Wagner Holding Inc. | (0.00%) | (2) | (0.00%) | (1) | - | - | (0.00%) | (1) |
| in-tech Services LLC | - | - | - | - | - | - | - | - |
| in-tech Automotive Engineering de R.L. de C.V | - | - | - | - | - | - | - | - |
| in-tech Engineering s.r.o | 0.01% | 12 | 0.01% | 2 | - | - | 0.01% | 2 |
| in-tech Group Ltd | 0.01% | 7 | 0.04% | 13 | - | - | 0.04% | 13 |
| Blitz 24-893 SE | 0.00% | 1 | - | - | - | - | - | - |
| Infosys Services (Thailand) Limited | 0.01% | 10 | (0.01%) | (2) | - | - | (0.01%) | (2) |
| ***Subtotal*** | **100.00%** | **116,072** | **100.00%** | **29,059** | **100.00%** | **105** | **100.00%** | **29,164** |
| | | | | | | | | |
| Adjustment arising out of consolidation | | (20,129) | | (2,328) | | 349 | | (1,979) |
| Controlled Trusts | | (125) | | (18) | | - | | (18) |
| | | 95,818 | | 26,713 | | 454 | | 27,167 |
| *Non-controlling Interests* | | 385 | | 37 | | 5 | | 42 |
| **Total** | | **96,203** | | **26,750** | | **459** | | **27,209** |

## 2.26 SEGMENT REPORTING

Ind AS 108, Operating segments, establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. The Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the accounting policies.

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

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

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

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

Disclosure of revenue by geographic locations is given in note 2.18 Revenue from operations.

**Business Segments**

**Year ended March 31, 2025 and March 31, 2024:**

*(In ₹ crore)*

| Particulars | Financial Services [1] | Retail [2] | Communication [3] | Energy, Utilities, Resources and Services | Manufacturing | Hi-Tech | Life Sciences [4] | All other segments [5] | Total |
|---|---|---|---|---|---|---|---|---|---|
| Revenue from operations | 45,175 | 22,059 | 19,108 | 21,710 | 25,207 | 13,090 | 11,831 | 4,810 | 162,990 |
| | *42,158* | *22,504* | *17,991* | *20,035* | *22,298* | *12,411* | *11,515* | *4,758* | *153,670* |
| Identifiable operating expenses | 25,871 | 10,931 | 12,420 | 11,882 | 16,167 | 7,592 | 7,166 | 2,986 | 95,015 |
| | *24,782* | *11,704* | *11,071* | *10,838* | *14,596* | *7,232* | *6,716* | *2,938* | *89,877* |
| Allocated expenses | 8,205 | 3,995 | 3,347 | 3,731 | 4,184 | 2,278 | 2,002 | 997 | 28,739 |
| | *8,052* | *3,918* | *3,232* | *3,674* | *3,505* | *2,026* | *1,901* | *1,060* | *27,368* |
| **Segment operating income** | **11,099** | **7,133** | **3,341** | **6,097** | **4,856** | **3,220** | **2,663** | **827** | **39,236** |
| | *9,324* | *6,882* | *3,688* | *5,523* | *4,197* | *3,153* | *2,898* | *760* | *36,425* |
| Unallocable expenses | | | | | | | | | 4,812 |
| | | | | | | | | | *4,678* |
| Other income, net | | | | | | | | | 3,600 |
| | | | | | | | | | *4,711* |
| Finance cost | | | | | | | | | 416 |
| | | | | | | | | | *470* |
| **Profit before tax** | | | | | | | | | **37,608** |
| | | | | | | | | | *35,988* |
| Income tax expense | | | | | | | | | 10,858 |
| | | | | | | | | | *9,740* |
| **Net Profit** | | | | | | | | | **26,750** |
| | | | | | | | | | *26,248* |
| Depreciation and amortization expense | | | | | | | | | 4,812 |
| | | | | | | | | | *4,678* |
| Non-cash expenses other than depreciation and amortization | | | | | | | | | — |
| | | | | | | | | | — |

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

**Significant clients**

No client individually accounted for more than 10% of the revenues for the year ended March 31, 2025 and March 31, 2024, respectively.

## 2.27 FUNCTION WISE CLASSIFICATION OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

*(In ₹ crore)*

| Particulars | Note No. | Year ended March 31, | |
|---|---|---|---|
| | | **2025** | **2024** |
| Revenue from operations | 2.18 | 162,990 | 153,670 |
| Cost of Sales | | 113,347 | 107,413 |
| **Gross profit** | | **49,643** | **46,257** |
| Operating expenses | | | |
| Selling and marketing expenses | | 7,588 | 6,973 |
| General and administration expenses | | 7,631 | 7,537 |
| **Total operating expenses** | | **15,219** | **14,510** |
| **Operating profit** | | **34,424** | **31,747** |
| Other income, net | 2.19 | 3,600 | 4,711 |
| Finance cost | | 416 | 470 |
| **Profit before tax** | | **37,608** | **35,988** |
| Tax expense: | | | |
| Current tax | 2.17 | 12,130 | 8,390 |
| Deferred tax | 2.17 | (1,272) | 1,350 |
| **Profit for the period** | | **26,750** | **26,248** |
| | | | |
| **Other comprehensive income** | | | |
| *Items that will not be reclassified subsequently to profit or loss* | | | |
| Remeasurement of the net defined benefit liability/asset, net | 2.22 | (92) | 120 |
| Equity instruments through other comprehensive income, net | 2.5 | 19 | 19 |
| | | **(73)** | **139** |
| *Items that will be reclassified subsequently to profit or loss* | | | |
| Fair value changes on derivatives designated as cash flow hedge, net | 2.11 | (24) | 11 |
| Exchange differences on translation of foreign operations, net | | 357 | 226 |
| Fair value changes on investments, net | 2.5 | 199 | 144 |
| | | **532** | **381** |
| | | | |
| **Total other comprehensive income / (loss), net of tax** | | **459** | **520** |
| | | | |
| **Total comprehensive income for the period** | | **27,209** | **26,768** |
| | | | |
| **Profit attributable to:** | | | |
| Owners of the Company | | 26,713 | 26,233 |
| Non-controlling interests | | 37 | 15 |
| | | **26,750** | **26,248** |
| **Total comprehensive income attributable to:** | | | |
| Owners of the Company | | 27,167 | 26,754 |
| Non-controlling interests | | 42 | 14 |
| | | **27,209** | **26,768** |

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

Nandan M. Nilekani
*Chairman*
DIN: 00041245

Salil Parekh
*Chief Executive Officer*
*and Managing Director*
DIN: 01876159

Bobby Parikh
*Director*
DIN: 00019437

Bengaluru
April 17, 2025

Jayesh Sanghrajka
*Chief Financial Officer*

A.G.S. Manikantha
*Company Secretary*
Membership No. A21918