|  |  |
| --- | --- |
| **TATA LIMITED** |  |
| ***Standalone Statements under Indian Accounting Standards (Ind AS)***  ***for the year ended March 31, 2018*** |  |
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| --- | --- | --- | --- |
| **TATA LIMITED** |  |  |  |
|  |  |  | *(In ` lakhs)* |
| **Balance Sheet as at** | **Note No.** | **March 31, 2018** | **March 31, 2017** |
| **ASSETS** |  |  |  |
| **Non-current assets** |  |  |  |
| Property, pladdnt and equipment | 2.1 | 10,34 | 9,027 |
| Capital work-in-progresss |  | 1,212 | 1,442 |
| Goodwill | 2.2 | 29 | 29 |
| Other intangible assets | 2.2 | 7 | 1010 |
| Financial assets |  |  |  |
| Investments | 2.3 | 12,062 | 11,993 |
| Loans | 2.4 | 16 | 19 |
| Other financial assets | 2.5 | 196 | 177 |
| Income tax assets (net) |  | 5,870 | 5,710 |
| Other non-current assets | 2.8 | 1,740 | 2,161 |
| **Totals non - current Assets** |  | **32,707** | **31,787** |
| **Cur rent assets** |  |  |  |
| Financial assets |  |  |  |
| Investments | 2.3 | 6,077 | 5,906 |
| Trade receivables | 2.6 | 13,370 | 12,151 |
| Money and Money Equivalents | 2.71 | 15,551 | 16,770 |
| Loans | 2.4 | 1,048 | 393 |
| Remaining assets | 2.5 | 4,834 | 5,906 |
| Income tax assets |  | 423 | - |
| Other current assets | 2.9 | 4,920 | 1,439 |
|  |  | **46,223** | **42,565** |
| Assets held for sale | 2.3.8 | - | 1,525 |
| **Total current assets** |  | **66,223** | **44,090** |
| **Total Assets** |  | **78,930** | **75,877** |
| **EQUITY AND LIABILITIES** |  |  |  |
| **Equity** |  |  |  |
| Equity share capital | 2.10 | 2,178 | 1,092 |
| NewlyAdded Row | 2.01 | 2,178 | 1,092 |
| Other equity |  | 60,533 | 62,410 |
| **Total equity** |  | **62,711** | **63,502** |
| **LIABILITIES** |  |  |  |
| Financial liabilities |  |  |  |
| Other financial liabilities | 2.15 | 0.79 | 55 |
| Deferred tax liabilities | 2.15 | 541 | 505 |
| Other non-current liabilities | 2.15 | 169 | 153 |
| **Total non - current liabilities** |  | **789** | **713** |
| **Current liabilities** |  |  |  |
| Financial liabilities |  |  |  |
| Trade payables | 2.12 |  |  |
| Total outstanding dues of micro enterprises and small enterprises | | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,604 | 738 |
| Other financial liabilities | 2.11 | 8,528 | 5,540 |
| Other current liabilities | 2.13 | 3,335 | 2,972 |
| Provisions | 2.14 | 505 | 436 |
| Income tax liabilities (net) |  | 1,458 | 1,976 |
| **Total current liabilities** |  | **15,430** | **11,662** |
| **Total equity and liabilities** |  | **78,930** | **75,877** |
|  |  |  |  |
| *The accompanying notes form an integral part of the standalone financial statements.* | | | |
| *As per our report of even date attached* |  |  |  |
| *for* Deloitte Haskins & Sells LLP | *for and on behalf of the Board of Directors of Infosys Limited* | |  |
| *Chartered Accountants* |  |  |  |
| Firm's Registration Number: |  |  |  |
| 117366W/W-10018 |  |  |  |
| P. R. Ramesh | Nandan M. Nile | Salila Parekh | U. B. Pravin Rao |
| *Partners* | *Chairman* | *Chief Executive officer* | *Chief Operating Officer* |
| Membership No. 70929 |  | *and Managing Director* | *and Whole-time Director* |
| Bengaluru | D. Sundaram | Nilanjan Roy | A. G.S. Manikantha |
| April 12, 2019 | *Directorate* | *Chief Financial Officer* | *Company Secretary* |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **INFOSYS LIMITED** |  |  |  |  |
| (In ₹ crore except equity share and per equity share data) | | | | |
| **Statement of Profit and Loss for the** |  | **Note No.** | **Year ended March 31,** | |
|  | **2019** | **2018** |
| Revenue from operations |  | 2.16 | 73,107 | 61,941 |
| Other income, net |  | 2.17 | 2,852 | 4,019 |
| **Total income** |  | **75,959** | | **65,960** |
| **Expenses** |  |  |  |  |
| Employee benefit expenses |  | 2.18 | 38,296 | 32,472 |
| Cost of technical sub-contractors |  |  | 7,646 | 5,494 |
| Travel expenses |  |  | 1,906 | 1,479 |
| Cost of software packages and others |  | 2.18 | 1,646 | 1,270 |
| Communication expenses |  |  | 339 | 330 |
| Consultancy and professional charges |  |  | 1,096 | 826 |
| Depreciation and amortization expense |  |  | 1,599 | 1,408 |
| Other expenses |  | 2.18 | 2,770 | 2,184 |
| Reduction in the fair value of assets held for sale |  | 2.3.8 | 265 | 589 |
| Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" | | 2.3.8 | 469 | - |
| **Total expenses** |  |  | **56,032** | **46,052** |
| **Profit before tax** |  |  | **19,927** | **19,908** |
| Tax expense: |  |  |  |  |
| Current tax |  | 2.15 | 5,189 | 4,003 |
| Deferred tax |  | 2.15 | 36 | (250) |
| **Profit for the period** |  | **14,702** | | **16,155** |
| **Other comprehensive income** |  |  |  |  |
| *Items that will not be reclassified subsequently to profit or loss* | | | | |
| Remeasurement of the net defined benefit liability/asset, net | |  | (21) | 52 |
| Equity instruments through other comprehensive income, net | |  | 78 | 7 |
| *Items that will be reclassified subsequently to profit or loss* | | | | |
| Fair value changes on derivatives designated as cash flow hedge, net | |  | 21 | (39) |
| Fair value changes on investments, net |  | 2.3 | 1 | 1 |
| **Total other comprehensive income/ (loss), net of tax** | | **79** | | **21** |
| **Total comprehensive income for the period** |  | **14,781** | | **16,176** |
| **Earnings per equity share** |  |  |  |  |
| Equity shares of par value `5/- each |  |  |  |  |
| Basic (`) |  |  | 33.66 | 35.64 |
| Diluted (`) |  |  | 33.64 | 35.62 |
| Weighted average equity shares used in computing earnings per equity share | | | | |
| Basic |  | 2.21 | 4,36,82,12,119 | 4,53,26,87,604 |
| Diluted |  | 2.21 | 4,37,04,12,348 | 4,53,47,85,242 |
| *The accompanying notes form an integral part of the standalone financial statements.* | | | | |
| *As per our report of even date attached* |  |  |  |  |
| *for Deloitte Haskins & Sells LLP* | *for and on behalf of the Board of Directors of Infosys Limited* | |  |  |
| *Chartered Accountants* |  |  |  |  |
| Firm's Registration Number: |  |  |  |  |
| 117366W/W-100018 |  |  |  |  |
| P. R. Ramesh | Nandan M. Nilekani | Salil Parekh | U. B. Pravin Rao | |
| *Partner* | *Chairman* | *Chief Executive officer* | *Chief Operating Officer* | |
| Membership No. 70928 |  | *and Managing Director* | *and Whole-time Director* | |
| Bengaluru | D. Sundaram | Nilanjan Roy | A. G. S. Manikantha | |
| April 12, 2019 | *Director* | *Chief Financial Officer* | *Company Secretary* | |

**INFOSYS LIMITED**

**Statement of Changes in Equity**

*(In ` crore)*

**Particulars**

**Equity Share Capital**

**Other Equity**

**Reserves & Surplus**

**Capital reserve**

**Total equity**

**Other comprehensive income attributable to**

**equity holders of**

**Securities Premium**

**Retained General reserve earnings**

**Share Options Outstanding Account**

**Special**

**Economic Zone Re- investment**

**reserve** *(1)*

**Capital reserve**

**Business transfer adjustment**

**reserve(2)**

**Capital redemption reserve**

**Equity**

**Instruments through other comprehensive income**

**Effective portion of Cash flow hedges**

**Other items of other comprehensive income / (loss)**

**the Company**

**Balance as at April 1, 2017 1,148 2,208 49,957 11,087 120** - **54 3,448** - **(5) 39 (39) 68,017**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Changes in equity for the year ended March 31, 2018** |  | | | | | | | | | | | | |
| Profit for the year - - | | | 16,155 | - | - | - | - - - - | | | | - | - | 16,155 |
| Remeasurement of the net defined benefit liability/asset\* - - | | | - | - | - | - | - - - - | | | | - | 52 | 52 |
| Equity instruments through other comprehensive income\* (Refer - - | | | - | - | - | - | - - - 7 | | | | - | - | 7 |
| Fair value changes on derivatives designated as cash flow hedge\*  (Refer note no. 2.9) - - | | | - | - | - | - | - - - - | | | | (39) | - | (39) |
| Fair value changes on investments\* (refer note no. 2.3) - - | | | - | - | - | - | - - - - | | | | - | 1 | 1 |
| **Total comprehensive income for the year - -** | | | **16,155** | **-** | **-** | **-** | **- - - 7** | | | | **(39)** | **53** | **16,176** |
| Transfer to general reserve - - | | | (1,382) | 1,382 | - | - | - - - - | | | | - | - | - |
| Transferred to Special Economic Zone Re-investment reserve - - | | | (2,141) | - | - | 2,141 | - - - - | | | | - | - | - |
| Transferred from Special Economic Zone Re-investment reserve on  utilization - - | | | 582 | - | - | (582) | - - - - | | | | - | - | - |
| Exercise of stock options (refer note no. 2.10) - 67 | | | - | 2 | (69) | - | - - - - | | | | - | - | - |
| Shares issued on exercise of employee stock options (Refer to note  2.10) - 5 | | | - | - | - | - | - - - - | | | | - | - | 5 |
| Share based payment to employees of the group (refer note no. 2.10) - - | | | - | - | 79 | - | - - - - | | | | - | - | 79 |
| Dividends (including dividend distribution tax) - - | | | (7,500) | - | - | - | - - - - | | | | - | - | (7,500) |
| Amount paid upon buyback (56) (2,206) | | | - | (10,738) | - | - | - - - - | | | | - | - | (13,000) |
| Transaction costs related to buyback (refer note no. 2.10) - | | (46) | - | - | - | - | - | - | - | - | - - | | (46) |
| Amount transferred to capital redemption reserve upon buyback  (refer note no. 2.10) - | | - | - | (56) | - | - | - | - | 56 | - | - - | | - |
| Loss recorded upon business transfer (refer note 2.3) - | | - | - | - | - | - | - | (229) | - | - | - - | | (229) |
| **Balance as at March 31, 2018 1,092** | | **28** | **55,671** | **1,677** | **130** | **1,559** | **54** | **3,219** | **56** | **2** | **- 14** | | **63,502** |

note no. 2.3)

**INFOSYS LIMITED**

**Statement of Changes in Equity** *(In ` crore)*

**Particulars Equity**

**Other Equity**

**Total equity**

**Share**

**Reserves & Surplus Other comprehensive income attributable to**

**Capital**

**Securities Retained Premium**

**General reserve**

**Share Options**

**Special Economic Zone Re-**

**Capital reserve**

**Business**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **earnings Outstanding investment Capital transfer reserve comprehensive Cash flow comprehensive**  **reserve reserve(2)** | | | | | | | | | | | | | |
| **Balance as at April 1, 2018 1,092** | | **28** | **55,671** | **1,677** | **130** | **1,559** | **54** | **3,219** | **56** | **2** | **- 14** | | **63,502** |
| **Changes in equity for the year ended March 31, 2019**  Profit for the year - | | - | 14,702 | - | - | - | - | - | - | - | - - | | 14,702 |
| Remeasurement of the net defined benefit liability/asset\* - | | - | - | - | - | - | - | - | - | - | - (21) | | (21) |
| Equity instruments through other comprehensive income\* (refer note - | | - | - | - | - | - | - | - | - | 78 | - - | | 78 |
| no. 2.3)  Fair value changes on derivatives designated as cash flow hedge\* - | | - | - | - | - | - | - | - | - | - | 21 - | | 21 |
| (refer note no. 2.9) |  | | |  |  | |  | | | |  |  |  |
| Fair value changes on investments\* (refer note no.2.3) | - - - | | | - | - - | | - - - - | | | | - | 1 | 1 |
| **Total comprehensive income for the year** | **- - 14,702** | | | **-** | **- -** | | **- - - 78** | | | | **21** | **(20)** | **14,781** |
| Transfer to general reserve | - - (1,615) | | | 1,615 | - - | | - - - - | | | | - | - | - |
| Transferred to Special Economic Zone Re-investment reserve | - - (2,306) | | | - | - 2,306 | | - - - - | | | | - | - | - |
| Transferred from Special Economic Zone Re-investment reserve on |  |  |  |  |  |  |  |  |  |  |  |  |  |
| utilization - - 1,386 - - (1,386) - | | | | | | | | - | - | - | - | - | - |
| Amount transferred to Capital redemption reserve upon buyback - - - (5) - - - | | | | | | | | - | 5 | - | - | - | - |
| Exercise of stock options (refer note no.2.10) - 99 | | | - | - | (99) | - | - | - | - | - | - | - | - |
| Transfer on account of options not exercised - - | | | - | 1 | (1) | - | - | - | - | - | - | - | - |
| Increase in share capital on account of Bonus issue (refer note no. 1,092 - | | | - | - | - | - | - | - | - | - | - | - | 1,092 |
| Amount utilized for Bonus issue (refer note no. 2.10) - - | | | - | (1,092) | - | - | - | - | - | - | - | - | (1,092) |
| Shares issued on exercise of employee stock options (Refer to note  - 3 | | | - | - | - | - | - | - | - | - | - | - | 3 |
| Share based payments to employees (refer to note no. 2.10) - - | | | - | - | 197 | - | - | - | - | - | - | - | 197 |
| Income tax benefit arising on exercise of stock options - 8 | | | - | - | - | - | - | - | - | - | - | - | 8 |
| Buyback of equity shares (refer note no. 2.10 and 2.11) (6) - | | | - | (1,994) | - | - | - | - | - | - | - | - | (2,000) |
| Transaction cost relating to buyback (refer note no 2.10)\* - - | | | - | (12) | - | - | - | - | - | - | - | - | (12) |
| Equity instruments through other comprehensive income\* (refer note - - | | | - | - | - | - | - | - | - | - | - | - | - |
| Dividends (including dividend distribution tax) - - | | | (13,768) | - | - | - | - | - | - | - | - | - | (13,768) |
| **Balance as at March 31, 2019 2,178 138** | | | **54,070** | **190** | **227** | **2,479** | **54** | **3,219** | **61** | **80** | **21** | **(6)** | **62,711** |

**Capital redemption**

**Equity Instruments through other**

**Effective portion of**

**Other items of other**

**equity holders of the Company**

**Account**

*(1)*

**reserve**

**adjustment**

**income**

**hedges**

**income / (loss)**

(refer note no. 2.10)

2.10)

2.10)

2.3)

*\*net of tax*

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

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

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

*As per our report of even date attached*

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

Firm's Registration Number:

117366W/W-100018

|  |  |  |  |
| --- | --- | --- | --- |
| P. R. Ramesh | Nandan M. Nilekani | Salil Parekh | U. B. Pravin Rao |
| *Partner*  Membership No. 70928 | *Chairman* | *Chief Executive officer*  *and Managing Director* | *Chief Operating Officer*  *and Whole-time Director* |

|  |  |  |  |
| --- | --- | --- | --- |
| Bengaluru | D. Sundaram | Nilanjan Roy | A. G. S. Manikantha |
| April 12, 2019 | *Director* | *Chief Financial Officer* | *Company Secretary* |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **INFOSYS LIMITED** |  |  |  |  |
| **Statement of Cash Flows** |  |  |  |  |
| **Accounting Policy** |  |  |  |  |
| Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents. | | | | |
| *(In ` crore)* | | | | |
| **Particulars** |  | **Note No.** | **Year ended March 31,** | |
|  |  |  | **2019** | **2018** |
| **Cash flow from operating activities:** |  |  |  |  |
| Profit for the year |  |  | 14,702 | 16,155 |
| **Adjustments to reconcile net profit to net cash provided by operating activities:** | | | | |
| Depreciation and amortization |  |  | 1,599 | 1,408 |
| Income tax expense |  | 2.15 | 5,225 | 3,753 |
| Impairment loss recognized / (reversed) under expected credit loss model | |  | 176 | 18 |
| Interest and dividend income |  |  | (1,996) | (3,169) |
| Other adjustments |  |  | 57 | 40 |
| Reduction in the fair value of assets held for sale |  | 2.3.8 | 265 | 589 |
| Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" | | 2.3.8 | 469 | - |
| Exchange differences on translation of assets and liabilities | |  | 80 | 3 |
| **Changes in assets and liabilities** |  |  |  |  |
| Trade receivables and unbilled revenue |  |  | (2,268) | (1,579) |
| Other financial assets and other assets |  |  | (581) | (207) |
| Trade payables |  | 2.12 | 866 | 466 |
| Other financial liabilities, other liabilities and provisions | | 1,666 | | 1,052 |
| **Cash generated from operations** |  | **20,260** | | **18,529** |
| Income taxes paid |  | (6,271) | | (6,054) |
| **Net cash generated by operating activities** |  | **13,989** | | **12,475** |
| **Cash flow from investing activities:** |  |  | |  |
| Expenditure on property, plant and equipment |  |  | (2,306) | (1,842) |
| Deposits placed with corporations |  |  | (116) | (106) |
| Loans to employees |  |  | 4 | 19 |
| Loan given to subsidiaries |  |  | (678) | (106) |
| Loan repaid by subsidiary |  |  | 20 | - |
| Proceeds from redemption of debentures |  | 2.3 | 335 | 349 |
| Investment in subsidiaries |  | 2.3 | (228) | (212) |
| Proceeds from return of investment |  |  | 33 | - |
| Proceeds on liquidation of Noah |  |  | - | 316 |
| Payment towards acquisition of business |  | 2.3 | (261) | (295) |
| Payment of contingent consideration pertaining to acquisition | |  | (6) | (33) |
| Escrow and other deposits pertaining to buyback |  | 2.5 | (257) | - |
| Payments to acquire investments |  |  |  |  |
| Preference, equity securities and others |  |  | (18) | (13) |
| Liquid mutual fund units and fixed maturity plan securities | |  | (72,889) | (57,250) |
| Tax free bonds and Government bonds |  |  | (11) | (1) |
| Certificates of deposit |  |  | (2,052) | (6,290) |
| Commercial paper |  |  | (491) | (291) |
| Non convertible debentures |  |  | (100) | - |
| Government securities |  |  | (838) | - |
| Proceeds on sale of investments |  |  |  |  |
| Preference and equity securities |  |  | 115 | 10 |
| Liquid mutual fund units and fixed maturity plan securities | |  | 71,337 | 59,364 |
| Tax free bonds and Government bonds |  |  | 1 | - |
| Non-convertible debentures |  |  | 602 | 100 |
| Certificates of deposit |  |  | 5,150 | 9,411 |
| Commercial paper |  |  | 300 | - |
| Government securities |  |  | 123 | - |
| Interest and dividend received |  |  | 1,644 | 1,708 |
| Dividend received from subsidiary |  | - | | 846 |
| **Net cash used in investing activities** |  | **(587)** | | **5,684** |
| **Cash flow from financing activities:** |  |  | |  |
| Buyback of equity shares including transaction cost |  |  | (813) | (13,046) |
| Payment of dividends including dividend distribution tax |  |  | (13,761) | (7,495) |
| Shares issued on exercise of employee stock options |  | 3 | | 5 |
| **Net cash used in financing activities** |  | **(14,571)** | | **(20,536)** |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents | |  | (50) | (6) |
| **Net increase / (decrease) in cash and cash equivalents** |  |  | (1,169) | (2,377) |
| Cash and cash equivalents at the beginning of the year |  |  | 16,770 | 19,153 |
| **Cash and cash equivalents at the end of the year** |  | **15,551** | | **16,770** |
| **Supplementary information:** |  |  | |  |
| Restricted cash balance |  |  | 143 | 375 |
| *The accompanying notes form an integral part of the standalone financial statements.* | | | | |
| *As per our report of even date attached* |  |  |  |  |
| *for* Deloitte Haskins & Sells LLP | *for and on behalf of the Board of Directors of Infosys Limited* | |  |  |
| *Chartered Accountants* |  |  |  |  |
| Firm's Registration Number: |  |  |  |  |
| 117366W/W-100018 |  |  |  |  |
| P. R. Ramesh | Nandan M. Nilekani | Salil Parekh | U. B. Pravin Rao | |
| *Partner* | *Chairman* | *Chief Executive officer* | *Chief Operating Officer* | |
| Membership No. 70928 |  | *and Managing Directo* | *and Whole-time Directo* | |
| Bengaluru | D. Sundaram | Nilanjan Roy | A. G. S. Manikantha | |
| April 12, 2019 | *Director* | *Chief Financial officer* | *Company Secretary* | |

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| **INFOSYS LIMITED** |
| **Notes to the financial statements** |
| **1. Overview** |
| **1.1 Company overview** |
| Infosys Limited ('the Company' or Infosys) is a leading provider of consulting, technology, outsourcing and next-generation digital services, enabling clients to execute strategies for their digital transformation. Infosys strategic objective is to build a sustainable organization that remains relevant to the agenda of clients, while creating growth opportunities for employees and generating profitable returns for investors. Infosys strategy is to be a navigator for our clients as they ideate, plan and execute on their journey to a digital future. |
| The Company is a public limited company incorporated and domiciled in India and has its registered office at Electronic city, Hosur Road, Bengaluru 560100, Karnataka, India. The company has its primary listings on the BSE Ltd. and National Stock Exchange of India Limited. The Company’s American Depositary Shares (ADS) representing equity shares are listed on the New York Stock Exchange (NYSE).  Further, the Company's ADS were also listed on the Euronext London and Euronext Paris. On July 5, 2018, the Company voluntarily delisted its ADS from the said exchanges due to low average daily trading volume of its ADS on these exchanges. |
| The financial statements are approved for issue by the Company's Board of Directors on April 12, 2019. |
| **1.2 Basis of preparation of financial statements** |
| These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after. |
| Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. |
| As the quarter and year figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year figures reported in this statement. |
| **1.3 Use of estimates and judgments** |
| The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note no. 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements. |
| **1.4 Critical accounting estimates** |
| **a. Revenue recognition** |
| The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. |
| Further, the Company uses significant judgments while determining the transaction price allocated to performance obligations using the expected cost plus margin approach. |
| Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date. |
| **b. Income taxes** |
| The Company's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other overseas jurisdictions. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer note no.2.15 and note no. 2.22. |
| In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced. |
| **c. Property, plant and equipment** |
| Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future  events, which may impact their life, such as changes in technology. Refer note no. 2.1 |

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| **d. Non-current assets held for sale** |
| Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach) which includes unobservable inputs. Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell (Refer note no. 2.3). Recoverable amounts of assets reclassified from held for sale have been estimated using management’s assumptions which consist of significant unobservable inputs. |
| **1.5 Recent accounting pronouncements** |
| **Ind AS 116 Leases :** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.  The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:   * Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors * Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.   Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:   * Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee’s incremental borrowing rate at the date of initial application or * An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.   Certain practical expedients are available under both the methods. |
| On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the ‘Modified Retrospective Approach’ for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.  The effect of adoption as on transition date would majorly result in an increase in Right of use asset approximately by ₹1,300 crore, net investment in sub-lease approximately by ₹550 crore and an increase in lease liability approximately by ₹2,000 crore. |
| **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.  The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.  The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.  The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements. |
| **Amendment to Ind AS 12 – Income taxes :** On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, ‘Income Taxes’, in connection with accounting for dividend distribution taxes.  The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.  Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements. |
| **Amendment to Ind AS 19 – plan amendment, curtailment or settlement-** On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, ‘Employee Benefits’, in connection with accounting for plan amendments, curtailments and settlements.  The amendments require an entity:   * to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and * to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.   Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment. |

## 2.1 PROPERTY, PLANT AND EQUIPMENT

**Accounting Policy**

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

Building*(1)* 22-25 years

Plant and machinery*(1)(2)* 5 years

### Office equipment 5 years

Computer equipment*(1)* 3-5 years

Furniture and fixtures*(1)* 5 years

Vehicles*(1)* 5 years

### Leasehold improvements Over lease term

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

*(2) Includes solar plant with useful life of 20 years.*

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

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

**Impairment**

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

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

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2019 are as follows: *(In ` crore)*

**Land-**

**Land-**

**Buildings(1**

**Plant and**

**Office**

**Computer**

**Furnitu re and**

**Leasehold**

**Particulars**

**Freehold Leasehold**

**)(2)**

**machinery(2)**

**Equipment(2) equipment(2) fixtures( Improvements Vehicles Total**

**2)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Gross carrying value as at April 1, 2018** | **1,227** | **661** | **7,271** | **2,209** | **841** | **4,229** | **1,247** | **235** | **29** | **17,949** |
| Additions | 78 | - | 915 | 460 | 130 | 1,023 | 238 | 187 | 9 | 3,040 |
| Deletions | - | (68) | (116) | (57) | (33) | (200) | (31) | (8) | (1) | (514) |
| **Gross carrying value as at March 31, 2019** | **1,305** | **593** | **8,070** | **2,612** | **938** | **5,052** | **1,454** | **414** | **37** | **20,475** |
| **Accumulated depreciation as at April 1, 2018** | - | **(30)** | **(2,621)** | **(1,526)** | **(582)** | **(3,143)** | **(896)** | **(107)** | **(17)** | **(8,922)** |
| Depreciation | - | (5) | (278) | (285) | (116) | (660) | (169) | (54) | (5) | (1,572) |
| Accumulated depreciation on deletions | - | 3 | 102 | 49 | 26 | 198 | 26 | 8 | 1 | 413 |
| **Accumulated depreciation as at March 31, 2019** | **-** | **(32)** | **(2,797)** | **(1,762)** | **(672)** | **(3,605)** | **(1,039)** | **(153)** | **(21)** | **(10,081)** |
| **Carrying value as at March 31, 2019** | **1,305** | **561** | **5,273** | **850** | **266** | **1,447** | **415** | **261** | **16** | **10,394** |
| **Carrying value as at April 1, 2018** | **1,227** | **631** | **4,650** | **683** | **259** | **1,086** | **351** | **128** | **12** | **9,027** |

### The changes in the carrying value of property, plant and equipment for the year ended March 31, 2018 were as follows: *(In ` crore)*

**Furnitu**

**Land-**

**Land-**

**Buildings(1**

## Plant and

**Office**

**Computer**

**re and**

**Leasehold**

**Particulars**

**Freehold Leasehold**

**)(2)**

**machinery(2)**

**Equipment(2) equipment(2) fixtures( Improvements Vehicles Total**

**2)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Gross carrying value as at April 1, 2017** | **1,093** | **659** | **6,483** | **1,966** | **769** | **3,886** | **1,132** | **198** | **24** | **16,210** |
| Additions | 134 | 2 | 789 | 250 | 78 | 396 | 121 | 48 | 5 | 1,823 |
| Deletions | - | - | (1) | (7) | (6) | (53) | (6) | (11) | - | (84) |
| **Gross carrying value as at March 31, 2018** | **1,227** | **661** | **7,271** | **2,209** | **841** | **4,229** | **1,247** | **235** | **29** | **17,949** |
| **Accumulated depreciation as at April 1, 2017** | - | **(26)** | **(2,377)** | **(1,274)** | **(472)** | **(2,603)** | **(757)** | **(82)** | **(14)** | **(7,605)** |
| Depreciation | - | (4) | (244) | (258) | (115) | (592) | (145) | (36) | (3) | (1,397) |
| Accumulated depreciation on deletions | - | - | - | 6 | 5 | 52 | 6 | 11 | - | 80 |
| **Accumulated depreciation as at March 31, 2018** | **-** | **(30)** | **(2,621)** | **(1,526)** | **(582)** | **(3,143)** | **(896)** | **(107)** | **(17)** | **(8,922)** |
| **Carrying value as at March 31, 2018** | **1,227** | **631** | **4,650** | **683** | **259** | **1,086** | **351** | **128** | **12** | **9,027** |
| **Carrying value as at April 1, 2017** | **1,093** | **633** | **4,106** | **692** | **297** | **1,283** | **375** | **116** | **10** | **8,605** |

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

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

|  |  |  |  |
| --- | --- | --- | --- |
| Gross carrying value of leasehold land represents amounts paid under certain lease-cum-sale agreements to acquire land including agreements where the Company has an option to  purchase or renew the properties on expiry of the lease period. | | | |
| The aggregate depreciation has been included under depreciation and amortization expense in the statement of Profit and Loss. | | | |
| Tangible assets provided on operating lease to subsidiaries as at March 31, 2019 and March 31, 2018 are as follows: | | | |
| *(In ` crore)* | | | |
| **Particulars** | **Cost** | **Accumulated**  **depreciation** | **Net book**  **value** |
| Buildings | 186 | 84 | 102 |
|  | *190* | *82* | *108* |
| Plant and machinery | 30 | 28 | 2 |
|  | *33* | *25* | *8* |
| Furniture and fixtures | 24 | 23 | 1 |
|  | *25* | *20* | *5* |
| Computer Equipment | 3 | 3 | - |
|  | *3* | *2* | *1* |
| Office equipment | 16 | 15 | 1 |
|  | *18* | *13* | *5* |
| *(In ` crore)* | | | |
| **Particulars** |  | **Year ended March**  **31,** | |
|  |  | **2019** | **2018** |
| Aggregate depreciation charged on above assets |  | 19 | 20 |
| Rental income from subsidiaries |  | 63 | 67 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **2.2 GOODWILL AND OTHER INTANGIBLE ASSETS** |  |  |  |  |  |
| **2.2.1 Goodwill** |  |  |  |  |  |
| Following is a summary of changes in the carrying amount of goodwill: |  |  |  |  |  |
|  |  |  |  |  | *(In ` crore)* |
| **Particulars** |  |  |  | **As at** | |
|  |  |  | **March 31, 2019** | | **March 31, 2018** |
| **Carrying value at the beginning** |  |  |  | 29 | - |
| Goodwill on business transfer of Noah (refer note 2.3.1) |  |  |  | - | 29 |
| Translation differences |  |  |  | - | - |
| **Carrying value at the end** |  |  |  | **29** | **29** |
| **2.2.2 Other Intangible Assets:** |  |  |  |  |  |
| **Accounting Policy** |  |  |  |  |  |
| Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end. | | | | | |
| Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use. | | | | | |
| Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2019: | |  |  |  | *(In ` crore)* |
| **Particulars** | **Customer related** | **Sub-Contracting rights related** | **Trade name**  **related** | **Others** | **Total** |
| **Gross carrying value as at April 1, 2018** | 113 | - | 26 | 26 | 165 |
| Transfer of Assets | - | - | - | - | - |
| Deletions during the year | - | - | - | - | - |
| **Gross carrying value as at March 31, 2019** | **113** | **-** | **26** | **26** | **165** |
| **Accumulated amortization as at April 1, 2018** | (40) | - | (12) | (12) | (64) |
| Transfer of Assets | - | - | - | - | - |
| Amortization expense | (16) | - | (6) | (5) | (27) |
| Accumulated amortization on deletions | - | - | - | - | - |
| **Accumulated amortization as at March 31, 2019** | **(56)** | - | **(18)** | **(17)** | **(91)** |
| **Carrying value as at March 31, 2019** | **57** | **-** | **8** | **9** | **74** |
| **Carrying value as at April 1, 2018** | 73 | **-** | 14 | 14 | 101 |
| **Estimated Useful Life** *(in years)* | 7 | - | 5 | 5 | - |
| **Estimated Remaining Useful Life** *(in years)* | 4 | - | 2 | 2 | - |
| Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2018: | |  |  |  | *(In ` crore)* |
| **Particulars** | **Customer related** | **Sub-Contracting rights related** | **Trade name**  **related** | **Others** | **Total** |
| **Gross carrying value as at April 1, 2017** | - | 21 | - | 9 | 30 |
| Transfer of Assets (refer note 2.3.1) | 113 | - | 26 | 26 | 165 |
| Deletions during the period | - | (21) | - | (9) | (30) |
| **Gross carrying value as at March 31, 2018** | **113** | **-** | **26** | **26** | **165** |
| **Accumulated amortization as at April 1, 2017** | - | (21) | - | (9) | (30) |
| Transfer of Assets (refer note 2.3.1) | (33) | - | (10) | (10) | (53) |
| Amortization expense | (7) | - | (2) | (2) | (11) |
| Accumulated amortization on deletions | - | 21 | - | 9 | 30 |
| **Accumulated amortization as at March 31, 2018** | **(40)** | - | **(12)** | **(12)** | **(64)** |
| **Carrying value as at March 31, 2018** | **73** | **-** | **14** | **14** | **101** |
| **Carrying value as at April 1, 2017** | - | - | - | - | - |
| **Estimated Useful Life** *(in years)* | 2 - 10 | - | 5 | 5 | - |
| **Estimated Remaining Useful Life** *(in years)* | 5 | - | 3 | 3 | - |
| Research and Development expense recognized in net profit in the statement of profit and loss for the year ended March 31, 2019 and March 31, 2018 is `416 crore and `374 crore, respectively. | | | | | |

|  |  |  |
| --- | --- | --- |
| **2.3 INVESTMENTS AND ASSETS HELD FOR SALE** |  |  |
| *(In ` crore)* | | |
| **Particulars** | **As at** | |
|  | **March 31, 2019** | **March 31, 2018** |
| **Non-current investments** |  |  |
| Equity instruments of subsidiaries | 6,349 | 5,013 |
| Debentures of subsidiary | 1,445 | 1,780 |
| Preference securities and equity instruments | 90 | 117 |
| Others | 16 | 7 |
| Tax free bonds | 1,828 | 1,831 |
| Fixed maturity plans securities | 401 | 376 |
| Non-convertible debentures | 1,209 | 2,869 |
| Government Securities | 724 | - |
| **Total non-current investments** | **12,062** | **11,993** |
| **Current investments** |  |  |
| Liquid mutual fund units | 1,701 | - |
| Certificates of deposit | 2,123 | 4,901 |
| Government bonds | 12 | 1 |
| Non-convertible debentures | 1,746 | 711 |
| Commercial paper | 495 | 293 |
| **Total current investments** | **6,077** | **5,906** |
| **Total carrying value** | **18,139** | **17,899** |
| *(In ` crore, except as otherwise stated)* | | |
| **Particulars** | **As at** | |
|  | **March 31, 2019** | **March 31, 2018** |
| **Non-current investments** |  |  |
| **Unquoted** |  |  |
| **Investment carried at cost** |  |  |
| Investments in equity instruments of subsidiaries |  |  |
| Infosys BPM Limited (formerly Infosys BPO Limited) | 659 | 659 |
| 3,38,22,319 (3,38,22,319) equity shares of `10/- each, fully paid up |  |  |
| Infosys Technologies (China) Co. Limited | 333 | 333 |
| Infosys Technologies (Australia) Pty Limited (1) | 5 | 38 |
| 1,01,08,869 (1,01,08,869) equity shares of AUD 0.11 par value, fully paid up |  |  |
| Infosys Technologies, S. de R.L. de C.V., Mexico | 65 | 65 |
| 17,49,99,990 (17,49,99,990) equity shares of MXN 1 par value, fully paid up |  |  |
| Infosys Technologies (Sweden) AB | 76 | 76 |
| 1,000 (1,000) equity shares of SEK 100 par value, fully paid up |  |  |
| Infosys Technologia do Brasil Ltda | 276 | 149 |
| 12,84,20,748 (5,91,24,348) shares of BRL 1.00 par value, fully paid up |  |  |
| Infosys Technologies (Shanghai) Company Limited | 900 | 900 |
| Infosys Public Services, Inc. | 99 | 99 |
| 3,50,00,000 (3,50,00,000) shares of USD 0.50 par value, fully paid up |  |  |
| Infosys Consulting Holding AG | 1,323 | 1,323 |
| 23,050 (23,350) - Class A shares of CHF 1,000 each and 26,460 |  |  |
| (29,400) - Class B Shares of CHF 100 each, fully paid up |  |  |
| Infosys Americas Inc. | 1 | 1 |
| 10,000 (10,000) shares of USD 10 per share, fully paid up |  |  |
| EdgeVerve Systems Limited | 1,312 | 1,312 |
| 1,31,18,40,000 (1,31,18,40,000) equity shares of `10/- each, fully paid up |  |  |
| Infosys Nova Holdings LLC \* (1) | - | - |
| Noah Consulting LLC (refer note 2.3.1) | - | - |
| Infosys Consulting Pte Ltd (formerly Lodestone Management Consultants Pte Ltd) | 10 | 10 |
| 1,09,90,000 (1,09,90,000) shares of SGD 1.00 par value, fully paid up |  |  |
| Brilliant Basics Holding Limited (refer note 2.3.2) | 59 | 46 |
| 1,346 (1,170) shares of GBP 0.005 each, fully paid up |  |  |
| Infosys Arabia Limited | 2 | 2 |
| 70 (70) shares |  |  |
| Kallidus Inc. (refer note no. 2.3.8) | 150 | - |
| 10,21,35,416 (10,21,35,416) shares |  |  |
| Skava Systems Private Limited (refer note no. 2.3.8) | 59 | - |
| 25,000 (25,000) shares of `10/- per share, fully paid up |  |  |
| Panaya Inc. ( refer note no. 2.3.8) | 582 | - |
| 2 (2) shares of USD 0.01 per share, fully paid up |  |  |
| Infosys Chile SpA | 7 | - |
| 100 (Nil) shares |  |  |
| Wongdoody Holding Company Inc (refer note no. 2.3.3) | 350 | - |
| 2,000 (Nil) shares |  |  |
| Infosys Luxembourg S.a r.l. | 4 | - |
| 3,700 (Nil) shares |  |  |
| Infosys Austria GmBH ( formerly known as Lodestone Management Consultants GmbH) | - | - |
| 80,000 (80,000) shares of EUR 1/- par value, fully paid up |  |  |
| Infosys Consulting Brazil | 43 | - |
| 8,26,56,605 (Nil) shares of BRL 1/- per share, fully paid up |  |  |
| Infosys Romania | 34 | - |
| 99,183 (Nil) shares of RON 100/- per share, fully paid up |  |  |
|  | **6,349** | **5,013** |

|  |  |  |
| --- | --- | --- |
| **Investment carried at amortized cost** |  |  |
| Investment in debentures of subsidiary |  |  |
| EdgeVerve Systems Limited |  |  |
| 14,45,00,000 (17,80,00,000) Unsecured redeemable, non-convertible debentures of ` 100/- each fully paid up | 1,445 | 1,780 |
|  | **1,445** | **1,780** |
| **Investments carried at fair value through profit or loss** |  |  |
| Others | 16 | 7 |
|  | **16** | **7** |
| **Investment carried at fair value through other comprehensive income (FVOCI)** |  |  |
| Preference securities | 89 | 116 |
| Equity instruments | 1 | 1 |
|  | **90** | **117** |
| *(In ` crore, except as otherwise stated)* | | |
| **Particulars** | **As at** | |
|  | **March 31, 2019** | **March 31, 2018** |
| **Quoted** |  |  |
| **Investments carried at amortized cost** |  |  |
| Tax free bonds | 1,828 | 1,831 |
|  | **1,828** | **1,831** |
| **Investments carried at fair value through profit or loss** |  |  |
| Fixed maturity plans securities | 401 | 376 |
|  | **401** | **376** |
| **Investments carried at fair value through other comprehensive income** |  |  |
| Non-convertible debentures | 1,209 | 2,869 |
| Government Securities | 724 | - |
|  | **1,933** | **2,869** |
| **Total non-current investments** | **12,062** | **11,993** |
| **Current investments** |  |  |
| **Unquoted** |  |  |
| **Investments carried at fair value through profit or loss** |  |  |
| Liquid mutual fund units | 1,701 | - |
|  | **1,701** | **-** |
| **Investments carried at fair value through other comprehensive income** |  |  |
| Commercial paper | 495 | 293 |
| Certificates of deposit | 2,123 | 4,901 |
|  | **2,618** | **5,194** |
| **Quoted** |  |  |
| **Investments carried at amortized cost** |  |  |
| Government bonds | 12 | 1 |
|  | **12** | **1** |
| **Investments carried at fair value through other comprehensive income** |  |  |
| Non-convertible debentures | 1,746 | 711 |
|  | **1,746** | **711** |
| **Total current investments** | **6,077** | **5,906** |
|  |  |  |
| **Total investments** | **18,139** | **17,899** |
| Aggregate amount of quoted investments | 5,920 | 5,788 |
| Market value of quoted investments (including interest accrued) | 6,131 | 6,045 |
| Aggregate amount of unquoted investments | 12,219 | 12,111 |
| *(1)* Aggregate amount of impairment in value of investments | 122 | 122 |
| Reduction in the fair value of assets held for sale (refer note no 2.3.8) | 854 | 589 |
| Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" (refer note no 2.3.8) | 469 |  |
|  | **-** |
| Investments carried at cost | 6,349 | 5,013 |
| Investments carried at amortized cost | 3,285 | 3,612 |
| Investments carried at fair value through other comprehensive income | 6,387 | 8,891 |
| Investments carried at fair value through profit or loss | 2,118 | 383 |
| Note: Uncalled capital commitments outstanding as of March 31, 2019 and March 31, 2018 was `17 crore and `36 crore, respectively. |  |  |
| *\* During the three months ended June 30, 2017, Infosys Nova Holding LLC, a wholly-owned subsidiary, has written down the entire carrying value of its investment in its associate DWA Nova LLC. Consequently, the Company has written down the entire carrying value of the investment in its subsidiary Infosys Nova Holdings LLC, amounting to*  *` 94 crore* | | |
| *Refer note no. 2.9 for accounting policies on financial instruments.* |  |  |

**1**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Details of amounts recorded in Other comprehensive income:** | | | | | | | |
| *(In ` crore)* | | | | | | | |
| **Year ended** | | | | | | | |
|  | **March 31, 2019** | |  |  |  | **March 31, 20** | **8** |
|  | **Gross** | **Tax** | **Net** |  | **Gross** | **Tax** | **Net** |
| **Net Gain/(loss) on** |  |  |  |  |  |  |  |
| Non-convertible debentures | 1 | - | 1 |  | (11) | 2 | (9) |
| Government Securities | 4 | (1) | 3 |  | - | - | - |
| Certificate of deposits | (5) | 2 | (3) |  | 15 | (5) | 10 |
| Equity and preference securities | 73 | 5 | 78 |  | 4 | 3 | 7 |
| **Method of fair valuation:** |  |  |  |  |  |  | *(In ` crore)* |
| **Class of investment** | **Method** |  |  | **Fair value as at** | | | |
|  |  |  |  | **March 31, 2019** | | | **March 31, 2018** |
| Liquid mutual fund units | Quoted price |  |  |  |  | 1,701 | - |
| Fixed maturity plan securities | Market observable inputs | |  |  |  | 401 | 376 |
| Tax free bonds and government bonds | Quoted price and market observable inputs | | |  |  | 2,048 | 2,079 |
| Non-convertible debentures | Quoted price and market observable inputs | | |  |  | 2,955 | 3,580 |
| Government Securities | Quoted price and market observable inputs | | |  |  | 724 | - |
| Certificate of deposits | Market observable inputs | |  |  |  | 2,123 | 4,901 |
| Commercial paper | Market observable inputs | |  |  |  | 495 | 293 |
| Unquoted equity and preference securities | Discounted cash flows method, Market multiples method, Option pricing model, etc. | | |  |  | 90 | 117 |
| Others | Discounted cash flows method, Market multiples method, Option pricing model, etc. | | |  |  | 16 | 7 |
| Certain quoted investments are classified as Level 2 in the absence of active market for such investments. | | | | | | | |
| **2.3.1 Business transfer- Noah Consulting LLC** |  |  |  |  |  |  |  |
| On July 14, 2017, the Board of Directors of Infosys authorized the Company to execute a Business Transfer Agreement and related documents with Noah Consulting LLC, a wholly owned subsidiary, to transfer the business of Noah Consulting LLC to Infosys Limited, subject to securing the requisite regulatory approvals for a consideration based on an independent valuation. Subsequently on October 17, 2017 , the company entered into a business transfer agreement to transfer the business for a consideration of $41 million (`266 crore) and the transfer was with effect from October 25, 2017.  The transaction was between a holding company and a wholly owned subsidiary, the resultant impact on account of business transfer was recorded in 'Business Transfer Adjustment Reserve' during the year ended March 31, 2018. The table below details out the assets and liabilities taken over upon business transfer: | | | | | | | |
| *(In ` crore)* | | | | | | | |
| **Particulars** |  |  |  |  |  |  | **Amount** |
| Goodwill |  |  |  |  |  |  | 29 |
| Trade name |  |  |  |  |  |  | 16 |
| Customer contracts |  |  |  |  |  |  | 80 |
| Other intangibles |  |  |  |  |  |  | 16 |
| Deferred tax assets |  |  |  |  |  |  | 13 |
| Net assets / (liabilities), others |  |  |  |  |  |  | (117) |
| **Total** |  |  |  |  |  |  | **37** |
| Less: Consideration paid |  |  |  |  |  |  | 266 |
| **Business transfer reserve** |  |  |  |  |  |  | **(229)** |
| Subsequently, in November 2017, Noah Consulting LLC has been liquidated and the Company received `316 crore as proceeds on liquidation. | | | | | | | |
| **2.3.2 Brilliant Basics Holdings Limited.** |  |  |  |  |  |  |  |
| On September 8, 2017, Infosys acquired 100% of the voting interests in Brilliant Basics Holdings Limited., UK, (Brilliant Basics) a product design and customer experience innovator with experience in executing global programs. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of `29 crore, contingent consideration of up to `20 crore and an additional consideration of upto `13 crore, referred to as retention bonus, payable to the employees of Brilliant Basics at each anniversary year over the next two years, subject to their continuous employment with the group at each anniversary. The fair value of contingent consideration on the date of acquisition is `17 crore. | | | | | | | |
| **2.3.3 Wongdoody Holding Company Inc** |  |  |  |  |  |  |  |
| On May 22, 2018, Infosys acquired 100% of the voting interests in WongDoody Holding Company Inc., (WongDoody) an US-based, full-service creative and consumer insights agency. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of up to $75 million (approximately `514 crore on acquisition date), which includes a cash consideration of $38 million (approximately `261 crore), contingent consideration of up to $28 million (approximately `192 crore on acquisition date) and an additional consideration of up to $9 million (approximately `61 crore on acquisition date), referred to as retention bonus, payable to the employees of WongDoody over the next three years, subject to their continuous employment with the group. The fair value of contingent consideration on the date of acquisition is `89 crore. | | | | | | | |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **2.3.4 Details of Investments** |  |  |  |  |  |  |
| The details of non-current other investments in preferred stock and equity instruments as at March 31, 2019 and March 31, 2018 are as follows: | | | | | | |
|  |  |  |  |  |  | *(in ` crore)* |
| **Particulars** |  |  |  |  | **As at** | |
|  |  |  |  | **March 31, 2019** | | **March 31, 2018** |
| *Preference Securities* |  |  |  |  |  |  |
| Airviz Inc. |  |  |  |  | 3 | 6 |
| 2,82,279 (2,82,279) Series A Preferred Stock, fully paid up, par value USD 0.001 each | | | | | | |
| Whoop Inc |  |  |  |  | 14 | 20 |
| 16,48,352 (16,48,352) Series B Preferred Stock, fully paid up, par value USD 0.0001 each | | | | | | |
| CloudEndure Ltd. |  |  |  |  | - | 26 |
| Nil (25,59,290) Preferred Series B Shares, fully paid up, par value ILS 0.01 each | | | | | | |
| Nivetti Systems Private Limited |  |  |  |  | 10 | 10 |
| 2,28,501 (2,28,501) Preferred Stock, fully paid up, par value `1 each | | | | | | |
| Waterline Data Science, Inc |  |  |  |  | 25 | 23 |
| 39,33,910 (39,33,910) Preferred Series B Shares, fully paid up, par value USD 0.00001 each | | | | | | |
| 13,35,707 (Nil) Preferred Series C Shares, fully paid up, par value USD 0.00001 each | | | | | | |
| Trifacta Inc. |  |  |  |  | 27 | 21 |
| 11,80,358 (11,80,358) Preferred Stock |  |  |  |  |  |  |
| Ideaforge |  |  |  |  | 10 | 10 |
| 5,402 (5,402) Series A compulsorily convertible cumulative Preference shares of `10 each, fully paid up. | | | | | | |
| *Equity Instrument* |  |  |  |  |  |  |
| Merasport Technologies Private Limited |  |  |  |  | - | - |
| 2,420 (2,420) equity shares at ` 8,052/- each, fully paid up, par value `10/- each | | | | | | |
| Global Innovation and Technology Alliance |  |  |  |  | 1 | 1 |
| 15,000 (15,000) equity shares at `1,000/- each, fully paid up, par value `1,000/- each | | | | | | |
| Ideaforge |  |  |  |  | - | - |
| 100 (100) equity shares at `10/-, fully paid up |  |  |  |  |  |  |
| *Others* |  |  |  |  |  |  |
| Stellaris Venture Partners India |  |  |  |  | 16 | 7 |
|  |  |  |  |  | **106** | **124** |
| **2.3.5 Details of Investments in tax free bonds and government bonds** | | | | | | |
| The balances held in tax free bonds as at March 31, 2019 and March 31, 2018 is as follows: | |  |  | *(In ` crore, except as otherwise stated)* | | |
| **Particulars** |  |  | **March 31, 2019** | | **March 31, 2018** | |
|  | **Face Value `** | | **Units** | **Amount** | **Units** | **Amount** |
| 7.04% Indian Railway Finance Corporation Limited Bonds 03MAR2026 | | 10,00,000 | 470 | 50 | 470 | 50 |
| 7.16% Power Finance Corporation Limited Bonds 17JUL2025 | | 10,00,000 | 1,000 | 105 | 1,000 | 106 |
| 7.18% Indian Railway Finance Corporation Limited Bonds 19FEB2023 | | 1,000 | 2,000,000 | 201 | 2,000,000 | 201 |
| 7.28% Indian Railway Finance Corporation Limited Bonds 21DEC2030 | | 1,000 | 422,800 | 42 | 422,800 | 42 |
| 7.28% National Highways Authority of India Limited Bonds 18SEP2030 | | 10,00,000 | 3,300 | 342 | 3,300 | 343 |
| 7.34% Indian Railway Finance Corporation Limited Bonds 19FEB2028 | | 1,000 | 2,100,000 | 210 | 2,100,000 | 211 |
| 7.35% National Highways Authority of India Limited Bonds 11JAN2031 | | 1,000 | 571,396 | 57 | 571,396 | 57 |
| 7.93% Rural Electrification Corporation Limited Bonds 27MAR2022 | | 1,000 | 200,000 | 21 | 200,000 | 21 |
| 8.10% Indian Railway Finance Corporation Limited Bonds 23FEB2027 | | 1,000 | 500,000 | 52 | 500,000 | 52 |
| 8.26% India Infrastructure Finance Company Limited Bonds 23AUG2028 | | 10,00,000 | 1,000 | 100 | 1,000 | 100 |
| 8.30% National Highways Authority of India Limited Bonds 25JAN2027 | | 1,000 | 500,000 | 53 | 500,000 | 53 |
| 8.35% National Highways Authority of India Limited Bonds 22NOV2023 | | 10,00,000 | 1,500 | 150 | 1,500 | 150 |
| 8.46% India Infrastructure Finance Company Limited Bonds 30AUG2028 | | 10,00,000 | 2,000 | 200 | 2,000 | 200 |
| 8.46% Power Finance Corporation Limited Bonds 30AUG2028 | | 10,00,000 | 1,500 | 150 | 1,500 | 150 |
| 8.48% India Infrastructure Finance Company Limited Bonds 05SEP2028 | | 10,00,000 | 450 | 45 | 450 | 45 |
| 8.54% Power Finance Corporation Limited Bonds 16NOV2028 | | 1,000 | 5,00,000 | 50 | 500,000 | 50 |
| **Total investments in tax-free bonds** |  |  | **68,05,416** | **1,828** | **68,05,416** | **1,831** |
| The balances held in government bonds as at March 31, 2019 and March 31, 2018 is as follows: | |  |  | *(In ` crore, except as otherwise stated)* | | |
| **Particulars** | **Face Value PHP** | | **March 31, 2019** | | **March 31, 2018** | |
|  | **Units** | **Amount** | **Units** | **Amount** |
| Treasury Notes Philippines Govt. 09MAY2018 |  | 100 | - | - | 100,000 | 1 |
| Treasury Notes Philippines Govt. 17APRIL2019 |  | 100 | 90,000 | 12 | - | - |
| **Total investments in government bonds** |  |  | **90,000** | **12** | **100,000** | **1** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **2.3.6 Details of investments in liquid mutual fund units and fixed maturity plan securities** | | | | | |
| The balances held in liquid mutual fund as at March 31, 2019 and March 31, 2018 is as follows: | |  | *(In ` crore, except as otherwise stated)* | | |
| **Particulars** |  | **March 31, 2019** |  | **March 31, 2018** | |
|  |  | **Units** | **Amount** | **Units** | **Amount** |
| Aditya Birla Sun life Corporate Bond Fund -Growth -Direct Plan |  | 19,600,407 | 141 | - | - |
| Aditya Birla Sun life Money Manager Fund -Growth -Direct Plan |  | 7,975,385 | 201 | - | - |
| HDFC Money market Fund- Direct Plan- Growth Option |  | 772,637 | 303 | - | - |
| ICICI Prudential Savings Fund- Direct Plan-Growth |  | 8,340,260 | 301 | - | - |
| IDFC Corporate Bond - Fund Direct Plan | 119,581,942 | | 154 | - | - |
| Kotak Money Market Fund- Direct Plan- Growth Option |  | 973,751 | 301 | - | - |
| SBI Premier Liquid Fund -Direct Plan -Growth |  | 1,025,678 | 300 | - | - |
| **Total investments in liquid mutual fund units** | **158,270,060** | | **1,701** | **-** | **-** |
| The balances held in fixed maturity plan security as at March 31, 2019 and March 31, 2018 is as follows: | |  | *(In ` crore, except as otherwise stated)* | | |
| **Particulars** |  | **March 31, 2019** |  | **March 31, 2018** | |
|  |  | **Units** | **Amount** | **Units** | **Amount** |
| Aditya Birla Sun Life Fixed Term Plan- Series OD 1145 Days- GR Direct |  | 5,00,00,000 | 58 | 5,00,00,000 | 54 |
| Aditya Birla Sun Life Fixed Term Plan- Series OE 1153 days- GR Direct |  | 2,50,00,000 | 29 | 2,50,00,000 | 27 |
| HDFC FMP 1155D Feb 2017- Direct Growth- Series 37 |  | 2,80,00,000 | 32 | 2,80,00,000 | 30 |
| HDFC FMP 1169D Feb 2017- Direct- Quarterly Dividend- Series 37 |  | 4,50,00,000 | 45 | 4,50,00,000 | 45 |
| ICICI FMP Series 80-1194 D Plan F Div |  | 4,00,00,000 | 46 | 4,00,00,000 | 43 |
| ICICI Prudential Fixed Maturity Plan Series 80- 1187 Days Plan G Direct Plan |  | 4,20,00,000 | 49 | 4,20,00,000 | 45 |
| ICICI Prudential Fixed Maturity Plan Series 80- 1253 Days Plan J Direct Plan |  | 3,00,00,000 | 35 | 3,00,00,000 | 32 |
| IDFC Fixed Term Plan Series 129 Direct Plan- Growth 1147 Days |  | 1,00,00,000 | 12 | 1,00,00,000 | 11 |
| IDFC Fixed Term Plan Series 131 Direct Plan- Growth 1139 Days |  | 1,50,00,000 | 17 | 1,50,00,000 | 16 |
| Kotak FMP Series 199 Direct- Growth |  | 3,50,00,000 | 40 | 3,50,00,000 | 37 |
| Reliance Fixed Horizon Fund- XXXII Series 8- Dividend Plan |  | 3,50,00,000 | 38 | 3,50,00,000 | 36 |
| **Total investments in fixed maturity plan securities** | **35,50,00,000** | | **401** | **35,50,00,000** | **376** |
| **2.3.7 Details of investments in non convertible debentures, government securities, certificates of deposit and commercial paper** | | | | | |
| The balances held in non convertible debenture units as at March 31, 2019 and March 31, 2018 is as follows: | |  | *(in ` crore, except as otherwise stated)* | | |
| **Particulars** |  | **March 31, 2019** |  | **March 31, 2018** | |
|  | **Face Value `** | **Units** | **Amount** | **Units** | **Amount** |
| 7.48% Housing Development Finance Corporation Ltd 18NOV2019 | 1,00,00,000/- | 50 | 51 | 50 | 51 |
| 7.58% LIC Housing Finance Ltd 28FEB2020 | 10,00,000/- | 1,000 | 101 | 1,000 | 101 |
| 7.58% LIC Housing Finance Ltd 11JUN2020 | 10,00,000/- | 500 | 51 | 500 | 52 |
| 7.59% LIC Housing Finance Ltd 14OCT2021 | 10,00,000/- | 3,000 | 306 | 3,000 | 306 |
| 7.75% LIC Housing Finance Ltd 27AUG2021 | 10,00,000/- | 1,250 | 127 | 1,250 | 129 |
| 7.79% LIC Housing Finance Ltd 19JUN2020 | 10,00,000/- | 500 | 53 | 500 | 53 |
| 7.80% Housing Development Finance Corporation Ltd 11NOV2019 | 1,00,00,000/- | 150 | 154 | 150 | 153 |
| 7.81% LIC Housing Finance Ltd 27APR2020 | 10,00,000/- | 2,000 | 214 | 2,000 | 214 |
| 7.95% Housing Development Finance Corporation Ltd 23SEP2019 | 1,00,00,000/- | 50 | 52 | 50 | 53 |
| 8.02% LIC Housing Finance Ltd 18FEB2020 | 10,00,000/- | 500 | 51 | 500 | 50 |
| 8.26% Housing Development Finance Corporation Ltd 12AUG2019 | 1,00,00,000/- | 100 | 105 | 100 | 105 |
| 8.34% Housing Development Finance Corporation Ltd 06MAR2019 | 1,00,00,000/- | - | - | 200 | 215 |
| 8.37% LIC Housing Finance Ltd 03OCT2019 | 10,00,000/- | 2,000 | 216 | 2,000 | 216 |
| 8.37% LIC Housing Finance Ltd 10MAY2021 | 10,00,000/- | 500 | 54 | 500 | 54 |
| 8.46% Housing Development Finance Corporation Ltd 11MAR2019 | 1,00,00,000/- | - | - | 50 | 54 |
| 8.47% LIC Housing Finance Ltd 21JAN2020 | 10,00,000/- | 500 | 51 | 500 | 51 |
| 8.49% Housing Development Finance Corporation Ltd 27APR2020 | 5,00,000/- | 900 | 49 | - | - |
| 8.50% Housing Development Finance Corporation Ltd 31AUG2020 | 1,00,00,000/- | 100 | 105 | 50 | 54 |
| 8.54% IDFC Bank Ltd 30MAY2018 | 10,00,000/- | - | - | 1,500 | 194 |
| 8.59% Housing Development Finance Corporation Ltd 14JUN2019 | 1,00,00,000/- | 50 | 51 | 50 | 51 |
| 8.60% LIC Housing Finance Ltd 29JUL2020 | 10,00,000/- | 1,400 | 149 | 1,400 | 151 |
| 8.61% LIC Housing Finance Ltd 11DEC2019 | 10,00,000/- | 1,000 | 103 | 1,000 | 104 |
| 8.66% IDFC Bank Ltd 25JUN2018 | 10,00,000/- | - | - | 1,520 | 196 |
| 8.72% Housing Development Finance Corporation Ltd 15APR2019 | 1,00,00,000/- | 75 | 75 | 75 | 76 |
| 8.75% Housing Development Finance Corporation Ltd 13JAN2020 | 500,000/- | 5,000 | 256 | 5,000 | 256 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 8.75% LIC Housing Finance Ltd 14JAN2020 | 10,00,000/- | 1,070 | 110 | 1,070 | 112 |
| 8.75% LIC Housing Finance Ltd 21DEC2020 | 10,00,000/- | 1,000 | 101 | 1,000 | 102 |
| 8.97% LIC Housing Finance Ltd 29OCT2019 | 10,00,000/- | 500 | 52 | 500 | 52 |
| 9.45% Housing Development Finance Corporation Ltd 21AUG2019 | 10,00,000/- | 3,000 | 318 | 3,000 | 323 |
| 9.65% Housing Development Finance Corporation Ltd 19JAN2019 | 10,00,000/- | - | - | 500 | 52 |
| **Total investments in non-convertible debentures** |  | **26,195** | **2,955** | **29,015** | **3,580** |
| The balances held in government securities as at March 31, 2019 and March 31, 2018 are as follows: | |  | *(in ` crore, except as otherwise stated)* | | |
| **Particulars** |  | **March 31, 2019** |  | **March 31, 2018** | |
|  | **Face Value `** | **Units** | **Amount** | **Units** | **Amount** |
| 7.17% Government of India 8JAN2028 | 10000/- | 675,000 | 672 | - | - |
| 7.95% Government of India 28AUG2032 | 10000/- | 50,000 | 52 | - | - |
| **Total investments in government securities** |  | **725,000** | **724** | **-** | **-** |
| The balances held in certificate of deposits as at March 31, 2019 and March 31, 2018 is as follows: | |  | *(in ` crore, except as otherwise stated)* | | |
| **Particulars** |  | **March 31, 2019** |  | **March 31, 2018** | |
|  | **Face Value `** | **Units** | **Amount** | **Units** | **Amount** |
| Axis Bank | 1,00,000/- | 80,000 | 774 | 185,000 | 1,767 |
| HDFC Bank | 1,00,000/- | - | - | 15,000 | 147 |
| ICICI Bank | 1,00,000/- | 75,000 | 738 | 110,000 | 1,035 |
| IndusInd Bank | 1,00,000/- | - | - | 135,000 | 1,272 |
| Kotak Bank | 1,00,000/- | 50,000 | 486 | 70,000 | 680 |
| Vijaya Bank | 1,00,000/- | 12,500 | 125 | - | - |
| **Total investments in certificates of deposit** |  | **217,500** | **2,123** | **515,000** | **4,901** |
| The balances held in commercial paper as at March 31, 2019 and March 31, 2018 is as follows: | |  | *(in ` crore, except as otherwise stated)* | | |
| **Particulars** |  | **March 31, 2019** |  | **March 31, 2018** | |
|  | **Face Value `** | **Units** | **Amount** | **Units** | **Amount** |
| LIC | 5,00,000/- | 10,000 | 495 | 6,000 | 293 |
| **Total investments in commercial paper** |  | **10,000** | **495** | **6,000** | **293** |
| **2.3.8 Assets held for sale** |  |  |  |  |  |
| **Accounting policy** |  |  |  |  |  |
| Non-current assets and Disposal Group are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset or the Disposal Group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets and Disposal Group held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the Disposal Group no longer meets the "Held for sale" criteria. | | | | | |
| In the three months ended March 2018, the Company had initiated identification and evaluation of potential buyers for the sale of its investment in subsidiaries, Kallidus and Skava (together referred to as "Skava”) and Panaya. The investment in these subsidiaries was classified and presented separately as “held for sale” and was carried at the lower of carrying value and fair value. Consequently, the Company has recognized a reduction in the fair value of investment amounting to `589 crore during the three months and year ended March 31, 2018 in respect of Panaya in the standalone financial statements of Infosys. During the three months ended June 30, 2018, on remeasurement, including consideration of progress in negotiations on offers from prospective buyers for Panaya, the Company has recorded a reduction in the fair value of investment amounting to `265 crore in respect of Panaya. | | | | | |
| During the three months ended December 31, 2018, based on evaluation of proposals received and progress of negotiations with potential buyers, the Company concluded that the investments in Panaya and Skava does not meet the criteria for “Held for Sale’ classification because it is no longer highly probable that sale would be consummated by March 31, 2019 ( twelve months from date of initial classification “ as held for sale”) Accordingly, in accordance with Ind AS 105 -" Non current Assets held for Sale and Discontinued Operations", the investment in subsidiaries, Panaya and Skava have been included in non-current investments line item in the standalone financial statements as at March 31, 2019.  On reclassification from “Held for sale”, the investment in subsidiaries, Panaya and Skava have been remeasured at the lower of cost and recoverable amount resulting in recognition of an adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" of `469 crore in respect of Skava in the standalone statement of profit and loss for the year ended March 31, 2019. | | | | | |

|  |  |  |
| --- | --- | --- |
| **2.4 LOANS** |  |  |
| *(In ` crore)* | | |
| **Particulars** | **As a** | **t** |
|  | **March 31, 2019** | **March 31, 2018** |
| **Non- Current** |  |  |
| Unsecured, considered good |  |  |
| Other Loans |  |  |
| Loans to employees | 16 | 19 |
|  | **16** | **19** |
| Unsecured, considered doubtful |  |  |
| Other Loans |  |  |
| Loans to employees | 18 | 12 |
|  | **34** | **31** |
| Less: Allowance for doubtful loans to employees | 18 | 12 |
| **Total non - current loans** | **16** | **19** |
| **Current** |  |  |
| Loan receivables considered good - Unsecured |  |  |
| Loans to subsidiaries *(Refer note no.2.23)* | 841 | 185 |
| Other Loans |  |  |
| Loans to employees | 207 | 208 |
| **Total current loans** | **1,048** | **393** |
| **Total Loans** | **1,064** | **412** |
| **2.5 OTHER FINANCIAL ASSETS** |  |  |
| *(In ` crore)* | | |
| **Particulars** | **As a** | **t** |
|  | **March 31, 2019** | **March 31, 2018** |
| **Non-current** |  |  |
| Security deposits (1) | 47 | 48 |
| Rental deposits (1) | 149 | 129 |
| **Total non-current other financial assets** | **196** | **177** |
| **Current** |  | |
| Security deposits (1) | 1 | 2 |
| Rental deposits (1) | 3 | 6 |
| Restricted deposits (1)\* | 1,531 | 1,415 |
| Unbilled revenues (1)(5)# | 1,541 | 3,573 |
| Interest accrued but not due (1) | 865 | 739 |
| Foreign currency forward and options contracts (2)(3) | 321 | 16 |
| Escrow and other deposits pertaining to buyback (refer to note 2.10) (1) | 257 | - |
| Others (1)(4) | 315 | 155 |
| **Total current other financial assets** | **4,834** | **5,906** |
| **Total other financial assets** | **5,030** | **6,083** |
| (1) Financial assets carried at amortized cost | 4,709 | 6,067 |
| (2)Financial assets carried at fair value through other comprehensive income | 37 | 12 |
| (3)Financial assets carried at fair value through Profit or Loss | 284 | 4 |
| *(4) Includes dues from subsidiaries (Refer note no. 2.23)* | 34 | 40 |
| *(5) Includes dues from subsidiaries (Refer note no. 2.23)* | 51 | 32 |
| \* Restricted deposits represent deposit with financial institutions to settle employee related obligations as and when they arise during the normal course of business. | | |
| **#** Classified as financial asset as right to consideration is unconditional upon passage of time. |  |  |

|  |  |  |
| --- | --- | --- |
| **2.6 TRADE RECEIVABLES** |  |  |
| *(In ` crore)* | | |
| **Particulars** | **As a** | **t** |
|  | **March 31, 2019** | **March 31, 2018** |
| **Current** |  |  |
| Unsecured |  |  |
| Considered good(2) | 13,370 | 12,151 |
| Considered doubtful | 431 | 315 |
|  | 13,801 | 12,466 |
| Less: Allowances for credit losses | 431 | 315 |
| **Total trade receivables*(1)*** | **13,370** | **12,151** |
| *(1) Includes dues from companies where directors are interested* | - | - |
| *(2) Includes dues from subsidiaries (refer note no. 2.23)* | 325 | 335 |
| **2.7 CASH AND CASH EQUIVALENTS** |  |  |
| *(In ` crore)* | | |
| **Particulars** | **As a** | **t** |
|  | **March 31, 2019** | **March 31, 2018** |
| Balances with banks |  |  |
| In current and deposit accounts | 10,957 | 10,789 |
| Cash on hand | - | - |
| Others |  |  |
| Deposits with financial institutions | 4,594 | 5,981 |
| **Total Cash and cash equivalents** | **15,551** | **16,770** |
| *Balances with banks in unpaid dividend accounts* | 29 | 22 |
| *Deposit with more than 12 months maturity* | 6,048 | 6,187 |
| *Balances with banks held as margin money deposits against guarantees* | 114 | 353 |
| Cash and cash equivalents as at March 31, 2019 and March 31, 2018 include restricted cash and bank balances of `143 crore and `375 crore, respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees. | | |
| The deposits maintained by the Company with banks and financial institutions comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal. | | |
| The table below provides details of cash and cash equivalents: |  |  |
| *(In ` crore)* | | |
| **Particulars** | **As a** | **t** |
|  | **March 31, 2019** | **March 31, 2018** |
| **In current accounts** |  |  |
| ANZ Bank, Taiwan | 1 | 9 |
| Bank of America, USA | 780 | 814 |
| Bank of Baroda, Mauritius | 1 | 1 |
| BNP Paribas Bank, Norway | 24 | 88 |
| Citibank N.A., Australia | 55 | 184 |
| Citibank N.A., Dubai | 5 | 5 |
| Citibank N.A., EEFC (U.S. Dollar account) | 2 | 4 |
| Citibank N.A., Hungary | 1 | 6 |
| Citibank N.A., India | 2 | 3 |
| Citibank N.A., Japan | 22 | 18 |
| Citibank N.A., New Zealand | 3 | 8 |
| Citibank N.A., South Africa | 18 | 33 |
| Citibank N.A., South Korea | 17 | 2 |
| Deutsche Bank, Belgium | 6 | 27 |
| Deutsche Bank, EEFC (Australian Dollar account) | 3 | 2 |
| Deutsche Bank, EEFC (Euro account) | 19 | 14 |
| Deutsche Bank, EEFC (Swiss Franc account) | 5 | 2 |
| Deutsche Bank, EEFC (U.S. Dollar account) | 212 | 27 |
| Deutsche Bank, EEFC (United Kingdom Pound Sterling account) | 6 | 8 |
| Deutsche Bank, France | 11 | 19 |
| Deutsche Bank, Germany | 57 | 70 |
| Deutsche Bank, India | 40 | 40 |
| Deutsche Bank, Malaysia | 1 | 5 |
| Deutsche Bank, Netherlands | 8 | 8 |
| Deutsche Bank, Philippines | 1 | 14 |
| Deutsche Bank, Russia | 3 | 3 |

|  |  |  |
| --- | --- | --- |
| Deutsche Bank, Russia (U.S. Dollar account) | - | 5 |
| Deutsche Bank, Singapore | 15 | 17 |
| Deutsche Bank, Spain | 1 | 1 |
| Deutsche Bank, Switzerland | 4 | 18 |
| Deutsche Bank, Switzerland (U.S. Dollar Account) | 1 | - |
| Deutsche Bank, United Kingdom | 17 | 74 |
| HSBC Bank, Hong Kong | 1 | 2 |
| HSBC, India | 3 | - |
| ICICI Bank, EEFC (U.S. Dollar account) | 18 | 5 |
| ICICI Bank, India | 24 | 33 |
| Nordbanken, Sweden | 21 | 26 |
| Punjab National Bank, India | 2 | 12 |
| Royal Bank of Canada, Canada | 28 | 9 |
| Splitska Banka D.D., Société Générale Group, Croatia | 14 | 8 |
| State Bank of India, India | 2 | - |
|  | **1,454** | **1,624** |
| *(In ` crore)* | | |
| **Particulars** | **As a** | **t** |
|  | **March 31, 2019** | **March 31, 2018** |
| **In deposit accounts** |  |  |
| Axis Bank | 700 | - |
| Barclays Bank | 500 | 200 |
| HDFC Bank | - | 2,423 |
| HSBC Bank | 200 | - |
| ICICI Bank | 3,060 | 3,467 |
| IDFC Bank | 2,100 | 1,500 |
| IndusInd Bank | 300 | 1,000 |
| Kotak Mahindra Bank | 500 | - |
| South Indian Bank | - | 200 |
| Standard Chartered Bank | 2,000 | - |
|  | **9,360** | **8,790** |
| **In unpaid dividend accounts** |  |  |
| Axis Bank - Unpaid dividend account | 4 | 1 |
| HDFC Bank - Unpaid dividend account | - | 1 |
| ICICI Bank - Unpaid dividend account | 25 | 20 |
|  | **29** | **22** |
| **In margin money deposits against guarantees** |  |  |
| Canara Bank | 45 | 151 |
| ICICI Bank | 69 | 202 |
|  | **114** | **353** |
| **Deposits with financial institution** |  |  |
| HDFC Limited | 3,594 | 4,781 |
| LIC Housing Finance Limited | 1,000 | 1,200 |
|  | **4,594** | **5,981** |
| **Total cash and cash equivalents** | **15,551** | **16,770** |

|  |  |  |
| --- | --- | --- |
| **2.8 OTHER ASSETS** |  |  |
| *(In ` crore)* | | |
| **Particulars** | **As a** | **t** |
|  | **March 31, 2019** | **March 31, 2018** |
| **Non-current** |  |  |
| Capital advances | 486 | 420 |
| Advances other than capital advance |  |  |
| Prepaid gratuity (Refer note 2.20) | 25 | 23 |
| Others |  |  |
| Prepaid expenses | 95 | 49 |
| Deferred contract cost | 226 | 262 |
| Withholding taxes and others | 908 | 1,407 |
| **Total non-current other assets** | **1,740** | **2,161** |
| **Current** |  |  |
| Advances other than capital advance |  |  |
| Payment to vendors for supply of goods | 94 | 103 |
| Others |  |  |
| Unbilled revenues(2) | 2,904 | - |
| Prepaid expenses (1) | 580 | 449 |
| Deferred contract cost | 52 | 44 |
| Withholding taxes and others | 1,290 | 843 |
| **Total current other assets** | **4,920** | **1,439** |
| **Total other assets** | **6,660** | **3,600** |
| *(1) Includes dues from subsidiaries (Refer note no. 2.23)* | 109 | 115 |
| *(2) Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.* | | |
| Deferred contract costs are upfront costs incurred for the contract and are amortized over the term of the contract. Withholding taxes and others primarily consist of input tax credits and Cenvat recoverable from Government of India. Cenvat recoverable includes `503 crore which are pending adjudication. The Company expects these amounts to be sustainable on adjudication and recoverable on final resolution. | | |

|  |
| --- |
| **2.9 FINANCIAL INSTRUMENTS** |
| **Accounting Policy** |
| **2.9.1 Initial recognition** |
| The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date. |
| **2.9.2 Subsequent measurement** |
| **a. Non-derivative financial instruments** |
| ***(i) Financial assets carried at amortized cost*** |
| A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. |
| ***(ii) Financial assets at fair value through other comprehensive income*** |
| A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. |
| ***(iii) Financial assets at fair value through profit or loss*** |
| A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. |
| ***(iv) Financial liabilities*** |
| Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. |
| ***(v) Investment in subsidiaries*** |
| Investment in subsidiaries is carried at cost in the separate financial statements. |
| **b. Derivative financial instruments** |
| The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. |
| ***(i) Financial assets or financial liabilities, at fair value through profit or loss.*** |
| This category includes derivative financial assets or liabilities which are not designated as hedges. |
| Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. |
| Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date. |
| ***(ii) Cash flow hedge*** |
| The Company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.  When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to net profit in the Statement of Profit and Loss. |
| **c. Share capital** |
| **Ordinary Shares** |
| Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options and buy back of ordinary shares are recognized as a deduction from equity, net of any tax effects. |
| **2.9.3 Derecognition of financial instruments** |
| The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. |
| **2.9.4 Fair value of financial instruments** |
| In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. |
| Refer to financial instruments by category table below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments. |

#### 2.9.5 Impairment

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

#### Financial instruments by category

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 15,551 | - - | - | - 15,551 | 15,551 |  |
| - | - 16 | 90 | - 106 | 106 |  |

Cash and cash equivalents (Refer Note no. 2.7) Investments (Refer note no.2.3)

Preference securities, Equity instruments and

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| others |  | | | | | |
| Tax free bonds and government bonds | 1,840 | - - | - - | 1,840 | 2,048 | (2) |
| Liquid mutual fund units | - | - 1,701 | - - | 1,701 | 1,701 |  |
| Redeemable, non-convertible debentures (1) | 1,445 | - - | - - | 1,445 | 1,445 |  |
| Fixed maturity plan securities | - | - 401 | - - | 401 | 401 |  |
| Commercial paper | - | - - | - 495 | 495 | 495 |  |
| Certificates of deposit | - | - - | - 2,123 | 2,123 | 2,123 |  |
| Non convertible debentures | - | - - | - 2,955 | 2,955 | 2,955 |  |
| Government Securities | - | - - | - 724 | 724 | 724 |  |
| Trade receivables (Refer Note no. 2.6) | 13,370 | - - | - - | 13,370 | 13,370 |  |
| Loans (Refer note no. 2.4) | 1,064 | - - | - - | 1,064 | 1,064 |  |
| Other financial assets (Refer Note no. 2.5) (4) | 4,709 | - 284 | - 37 | 5,030 | 4,948 | (3) |
| **Total** | **37,979** | **- 2,402** | **90 6,334** | **46,805** | **46,931** |  |
| **Liabilities:**  Trade payables (Refer Note no. 2.12) | 1,604 | - - | - - | 1,604 | 1,604 |  |
| Other financial liabilities (Refer Note no. 2.11) | 7,067 | - 128 | - 1 | 7,196 | 7,196 |  |
| **Total** | **8,671** | **- 128** | **- 1** | **8,800** | **8,800** |  |

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

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

*(3) Excludes interest accrued on tax free bonds*

*(4) Excludes unbilled revenue for fixed price development contracts where right to consideration is conditional on factors other than passage of time*

The carrying value and fair value of financial instruments by categories as at March 31, 2018 were as follows:

*(In ` crore)*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **Amortized cost Financial assets/ liabilities at fair Financial assets/liabilities at fair Total carrying value through profit or loss value through OCI value** | | | | | **Total fair value** |  |
|  | **Designated Mandatory Equity Mandatory** | | | | |  |
|  | **upon initial instruments** | | | | |  |
|  | **recognition designated upon** | | | | |  |
|  | **initial recognition** | | | | |  |
| **Assets:**  Cash and cash equivalents (Refer Note no. 2.7) | 16,770 - - - - 16,770 | | | | | 16,770 |
| Investments (Refer Note no. 2.3)  Preference securities, Equity instruments and | - - 7 117 - 124 | | | | | 124 |
| others |  | | | | |  |
| Tax free bonds and government bonds | 1,832 - - - - 1,832 | | | | | 2,079 | (2) |
| Liquid mutual fund units  Redeemable, non-convertible debentures (1) | - - - - - -  1,780 - - - - 1,780 | | | | | - 1,780 |  |
| Fixed maturity plan securities | - - 376 - - 376 | | | | | 376 |  |
| Certificates of deposit | - - - - 4,901 4,901 | | | | | 4,901 |  |
| Non convertible debentures | - - - - 3,580 3,580 | | | | | 3,580 |  |
| Commercial paper | - - - - 293 293 | | | | | 293 |  |
| Trade receivables (Refer Note no. 2.6) | 12,151 - - - - 12,151 | | | | | 12,151 |  |
| Loans (Refer note no. 2.4) | 412 - - - - 412 | | | | | 412 |  |
| Other financial assets (Refer Note no. 2.5) | 6,067 | - 4 | - | 12 | 6,083 | 6,001 | (3) |
| **Total** | **39,012** | **- 387** | **117** | **8,786** | **48,302** | **48,467** |  |
| **Liabilities:**  Trade payables (Refer note no. 2.12) | 738 | - - | - | - | 738 | 738 |  |
| Other financial liabilities (Refer Note no. 2.11) | 4,241 | - 91 | - | 3 | 4,335 | 4,335 |  |
| **Total** | **4,979** | - **91** | - | **3** | **5,073** | **5,073** |  |

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

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

*(3) Excludes interest accrued on tax free bonds*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Fair value hierarchy** |  |  |  |  |
| **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities. |  |  |  |  |
| **Level 2** – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). | | | | |
| **Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). |  |  |  |  |
| The fair value hierarchy of assets and liabilities as at March 31, 2019 is as follows: |  |  |  |  |
| *(In ` crore)* | | | | |
| **Particulars** | **March 31, 2019** | **Fair value measurement at end of the**  **reporting period using** | | |
|  |  | **Level 1** | **Level 2** | **Level 3** |
| **Assets** |  |  |  |  |
| Investments in tax free bonds (Refer note no. 2.3) | 2,036 | 1,765 | 271 | - |
| Investments in government bonds (Refer note no. 2.3) | 12 | 12 | - | - |
| Investments in liquid mutual fund units (Refer note no. 2.3) | 1,701 | 1,701 | - | - |
| Investments in equity instruments (Refer note no. 2.3) | 1 | - | - | 1 |
| Investments in preference securities (Refer note no. 2.3) | 89 | - | - | 89 |
| Investments in fixed maturity plan securities (Refer note no. 2.3) | 401 | - | 401 | - |
| Investments in certificates of deposit (Refer note no. 2.3) | 2,123 | - | 2,123 | - |
| Investments in commercial paper (Refer Note no. 2.3) | 495 | - | 495 | - |
| Investments in non convertible debentures (Refer note no. 2.3) | 2,955 | 1,612 | 1,343 | - |
| Investments in government securities (Refer note no. 2.3) | 724 | 724 | - | - |
| Other investments (Refer note no. 2.3) | 16 | - | - | 16 |
| Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer note no. 2.5) | 321 | - | 321 | - |
| **Liabilities** |  |  |  |  |
| Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer note no. 2.11) | 13 | - | 13 | - |
| Liability towards contingent consideration (Refer note no. 2.11)(1)(2) | 116 | - | - | 116 |
| *(1) Pertains to contingent consideration payable to selling shareholders of Wongdoody and Brilliant Basics Holding Limited as per the share purchase agreement.* | | | | |
| *(2) Discount rate pertaining to contingent consideration ranges from 10% to 16%* |  |  |  |  |
| During the year ended March 31, 2019, tax free bonds and non-convertible debentures of ₹336 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on Quoted price, and ₹746 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs. | | | | |

The fair value hierarchy of assets and liabilities as at March 31, 2018 was as follows:

*(In ` crore)*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars March 31, 2018 Fair value measurement at end of the reporting** | | | | |
|  |  | **Level 1** | **Level 2** | **Level 3** |
| **Assets** |  |  |  |  |
| Investments in tax free bonds (Refer Note no. 2.3) | 2,078 | 1,806 | 272 | - |
| Investments in government bonds (Refer Note no. 2.3) | 1 | 1 | - | - |
| Investments in equity instruments (Refer Note no. 2.3) | 1 | - | - | 1 |
| Investments in preference securities (Refer Note no. 2.3) | 116 | - - | | 116 |
| Investments in fixed maturity plan securities (Refer Note no. 2.3) | 376 | - 376 | | - |
| Investments in certificates of deposit (Refer Note no. 2.3) | 4,901 | - 4,901 | | - |
| Investments in non convertible debentures (Refer Note no. 2.3) | 3,580 | 2,493 1,087 | | - |
| Investments in commercial paper (Refer Note no. 2.3) | 293 | - 293 | | - |
| Other investments (Refer Note no. 2.3) | 7 | - - | | 7 |
| Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer Note no. 2.5) | 16 | - 16 | | - |
| **Liabilities** |  |  | |  |
| Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer note 2.11) | 40 | - 40 | | - |
| Liability towards contingent consideration (Refer note no. 2.11)(1)(2) | 54 | - - | | 54 |

#### period using

*(1) Pertains to contingent consideration payable to selling shareholders of Kallidus and Brilliant Basics Holding Limited as per the share purchase agreement.*

*(2) Discounted ` 21 crore at 10%, pertaining to Brilliant Basics.*

During the year ended March 31, 2018, tax free bonds and non-convertible debentures of ₹1,797 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on Quoted price, and ₹743 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

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

#### Financial risk management Financial risk factors

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

#### Market risk

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

The following table analyses the foreign currency risk from monetary assets and liabilities as at March 31, 2019:

*(In ` crore)*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **U.S. dollars** | **Euro** | **United Kingdom**  **Pound Sterling** | **Australian**  **dollars** | **Other**  **currencies** | **Total** |
| Cash and cash equivalents | 1,013 | 102 | 23 | 58 | 185 | 1,381 |
| Trade receivables | 9,009 | 1,688 | 1,005 | 484 | 693 | 12,879 |
| Other financial assets , loans and other current assets | 3,617 | 815 | 280 | 259 | 997 | 5,968 |
| Trade payables | (645) | (99) | (201) | (77) | (52) | (1,074) |
| Other financial liabilities | (3,546) | (364) | (196) | (290) | (257) | (4,653) |
| **Net assets / (liabilities)** | **9,448** | **2,142** | **911** | **434** | **1,566** | **14,501** |

The following table analyses the foreign currency risk from monetary assets and liabilities as at March 31, 2018:

*(In ` crore)*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **U.S. dollars** | **Euro** | **United Kingdom**  **Pound Sterling** | **Australian**  **dollars** | **Other**  **currencies** | **Total** |
| Cash and cash equivalents | 858 | 139 | 82 | 186 | 271 | 1,536 |
| Trade Receivables | 7,776 | 1,522 | 871 | 743 | 550 | 11,462 |
| Other financials assets ( including loans) | 2,196 | 597 | 335 | 159 | 305 | 3,592 |
| Trade payables | (312) | (60) | (168) | (36) | (22) | (598) |
| Other financial liabilities (1,962) (252) (148) (220) (162) (2,744) | | | | | | |
| **Net assets / (liabilities)** | **8,556** | **1,946** | **972** | **832** | **942** | **13,248** |
| **Sensitivity analysis between Indian Rupee and USD** |  |  |  |  |  |  |
| **Particulars Year ended March 31,** | | | | | | |
|  | **2019** | | | | | **2018** |
| Impact on the Company's incremental Operating Margins | 0.48% | | | | | 0.52% |

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

#### Derivative financial instruments

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| The details in respect of outstanding foreign currency forward and option contracts are as follows : |  |  |  |  |
| **Particulars** | **As at** | | **As at** | |
|  | **March 31, 2019** | | **March 31, 2018** | |
|  | **In million** | **In** ` **crore** | **In million** | **In** ` **crore** |
| **Derivatives designated as cash flow hedges** |  |  |  |  |
| **Option Contracts** |  |  |  |  |
| In Australian dollars | 120 | 588 | 60 | 300 |
| In Euro | 135 | 1,049 | 100 | 808 |
| In United Kingdom Pound Sterling | 25 | 226 | 20 | 184 |
| **Other derivatives** |  |  |  |  |
| **Forward contracts** |  |  |  |  |
| In Canadian dollars | 13 | 68 | 20 | 99 |
| In Euro | 166 | 1,289 | 86 | 695 |
| In Japanese Yen | 550 | 34 | 550 | 34 |
| In New Zealand dollars | 16 | 75 | 16 | 76 |
| In Norwegian Krone | 40 | 32 | 40 | 34 |
| In South African Rand | - | - | 25 | 14 |
| In Singapore dollars | 140 | 716 | 5 | 25 |
| In Swedish Krona | 50 | 37 | 50 | 40 |
| In Swiss Franc | 25 | 172 | 21 | 146 |
| In U.S. dollars | 855 | 5,910 | 556 | 3,624 |
| In United Kingdom Pound Sterling | 70 | 634 | 45 | 415 |
| **Option Contracts** |  |  |  |  |
| In Australian dollars | 10 | 49 | 20 | 100 |
| In Canadian dollars | 13 | 69 | - | - |
| In Euro | 60 | 466 | 45 | 363 |
| In Swiss Franc | 5 | 35 | 5 | 33 |
| In U.S. dollars | 433 | 2,995 | 320 | 2,086 |
| In United Kingdom Pound Sterling | 10 | 91 | 25 | 231 |
| **Total forwards and option contracts** | **14,535** | | **9,307** | |
| The foreign exchange forward and option contracts mature within twelve months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the balance sheet date: | | | | |
| *(In ` crore)* | | | | |
| **Particulars** | **As at** | |  | **As at** |
|  | **March 31, 2019** | |  | **March 31, 2018** |
| Not later than one month |  | 4,082 |  | 2,693 |
| Later than one month and not later than three months |  | 6,368 |  | 4,274 |
| Later than three months and not later than one year |  | 4,085 |  | 2,340 |
|  |  | **14,535** |  | **9,307** |
| During the year ended March 31, 2019, the Company has designated certain foreign exchange forward and option contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve as at March 31, 2019 are expected to occur and reclassified to statement of profit and loss within 3 months. | | | | |
| Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items. | | | | |
| If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the Statement of Profit or Loss at the time of the hedge relationship rebalancing. | | | | |
| The following table provides the reconciliation of cash flow hedge reserve for the year ended March 31, 2019 and March 31, 2018 : | | | | |
| *(In ` crore)* | | | | |
| **Particulars** |  |  | **Year ended March 31,** | |
|  |  |  | **2019** | **2018** |
| **Gain / (Loss)** |  |  |  |  |
| Balance at the beginning of the year |  |  | - | 39 |
| Gain / (Loss) recognized in other comprehensive income during the year |  |  | 118 | (93) |
| Amount reclassified to profit and loss during the year |  |  | (90) | 41 |
| Tax impact on above |  |  | (7) | 13 |
| **Balance at the end of the year** |  |  | **21** | **-** |
| The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. | | | | |
| The quantitative information about offsetting of derivative financial assets and derivative financial liabilities is as follows: | | | | |
| *(In ` crore)* | | | | |
| **Particulars** | **As at** | | **As at** | |
|  | **March 31, 2019** | | **March 31, 2018** | |
|  | **Derivative financial asset** | **Derivative financial liability** | **Derivative financial**  **asset** | **Derivative financial liability** |
| Gross amount of recognized financial asset / liability | 323 | (15) | 20 | (44) |
| Amount set off | (2) | 2 | (4) | 4 |
| **Net amount presented in Balance Sheet** | **321** | **(13)** | **16** | **(40)** |

#### 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 `13,370 crore and `12,151 crore as at March 31, 2019 and March 31, 2018, respectively and unbilled revenue amounting to `4,445 crore and `3,573 crore as at March 31, 2019 and March 31, 2018, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Company's historical experience for customers.

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

*(In %)*

#### Particulars

**Year ended March 31,**

**2019 2018**

Revenue from top customer 4.0 3.9

Revenue from top 10 customers 20.3 21.0

#### Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2019 and March 31, 2018 is `176 crore and `18 crore, respectively.

#### Movement in credit loss allowance:

*(In ` crore)*

#### Particulars

**Year ended March 31,**

**2019 2018**

Balance at the beginning 401 379

Impairment loss recognized/ (reversed) 176 18

Amounts written off (67) (3)

Translation differences 11 7

#### Balance at the end 521 401

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, fixed maturity plan securities, quoted bonds issued by government and quasi government organizations, non convertible debentures issued by government aided institutions, certificates of deposit and commercial paper.

#### Liquidity risk

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

As at March 31, 2019, the Company had a working capital of `30,793 crore including cash and cash equivalents of `15,551 crore and current investments of `6,077 crore. As at March 31, 2018, the Company had a working capital of `30,903 crore including cash and cash equivalents of `16,770 crore and current investments of `5,906 crore.

As at March 31, 2019 and March 31, 2018, the outstanding compensated absences were `1,411 crore and `1,260 crore, respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

Under the Company's ongoing buyback program the maximum buyback size is `8,260 crore. The company has bought back shares amounting to `797 crore (including transaction costs) till March 31, 2019 (Refer to note no 2.10)

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2019 are as follows:

*(In ` crore)*

#### Particulars Less than 1 1-2 years 2-4 years 4-7 years Total

**year**

|  |  |  |
| --- | --- | --- |
| Trade payables 1,604 | - | - - 1,604 |
| Other financial liabilities (excluding liability towards acquisition) (Refer Note no. 2.11)  7,067 | - | - - 7,067 |
| Liability towards acquisitions on an undiscounted basis 82 | 53 | - - 135 |

(including contingent consideration)

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2018 were as follows:

*(In ` crore)*

#### Particulars Less than 1 1-2 years 2-4 years 4-7 years Total

**year**

|  |  |  |  |
| --- | --- | --- | --- |
| Trade payables 738 | - | - | - 738 |
| Other financial liabilities (excluding liability towards acquisition) (Refer Note no. 2.11)  4,241 | - | - | - 4,241 |
| Liability towards acquisitions on an undiscounted basis  (including contingent consideration) 41 | 7 | 7 | - 55 |

|  |  |  |
| --- | --- | --- |
| **2.10 EQUITY** |  |  |
| **EQUITY SHARE CAPITAL** |  |  |
| *(In ` crore, except as otherwise stated)* | | |
| **Particulars** | **As at** | |
|  | **March 31, 2019** | **March 31, 2018** |
| Authorized |  |  |
| Equity shares, `5/- par value |  |  |
| 4,80,00,00,000 (2,40,00,00,000) equity shares | 2,400 | 1,200 |
| Issued, Subscribed and Paid-Up |  |  |
| Equity shares, `5/- par value *(1)* | 2,178 | 1,092 |
| 4,35,62,79,444 (2,18,41,14,257) equity shares fully paid-up |  |  |
|  | **2,178** | **1,092** |
| *(1) Refer note no. 2.21 for details of basic and diluted shares* |  |  |
| Forfeited shares amounted to `1,500/- (`1,500/-) |  |  |
| The Company has only one class of shares referred to as equity shares having a par value of `5/-. Each holder of equity shares is entitled to one vote per share. The equity shares represented by American Depository Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity share | | |
| In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts. | | |
| **In the period of five years immediately preceding March 31, 2019:** |  |  |
| The Company has allotted 2,18,41,91,490 fully paid up equity shares of face value ₹5/- each during the three months ended September 30, 2018 pursuant to a bonus issue approved by the shareholders through postal ballot. Record date fixed by the Board of Directors was September 5, 2018. The bonus shares were issued by capitalization of profits transferred from general reserve. Bonus share of one equity share for every equity share held, and a bonus issue, viz., a stock dividend of one American Depositary Share (ADS) for every ADS held, respectively, has been allotted. Consequently, the ratio of equity shares underlying the ADSs held by an American Depositary Receipt holder remains unchanged. Options granted under the stock option plan have been adjusted for bonus shares. | | |
| The Company has allotted 1,14,84,72,332 and 57,42,36,166 fully paid-up shares of face value `5/- each during the quarter ended June 30, 2015 and December 31, 2014, pursuant to bonus issue approved by the shareholders through postal ballot. For both the bonus issues, bonus share of one equity share for every equity share held, and a stock dividend of one ADS for every ADS held, respectively, has been allotted. Consequently, the ratio of equity shares underlying the ADSs held by an American Depositary Receipt holder remains unchanged. Options granted under the restricted stock unit plan (RSU) have been adjusted for bonus shares. | | |
| The bonus shares once allotted shall rank pari passu in all respects and carry the same rights as the existing equity shareholders and shall be entitled to participate in full, in any dividend and other corporate action, recommended and declared after the new equity shares are allotted | | |
| **Update on capital allocation policy and buyback** |  |  |
| In line with the capital allocation policy announced in April 2018, the Board, in its meeting held on January 11, 2019, approved the following :   1. Declared a special dividend of ₹4/- per equity share; 2. Recommended buyback of Equity Shares from the open market route through Indian stock exchanges of up to ₹8,260 crore (Maximum buyback Size) at a price not exceeding ₹800 per share (Maximum Buyback Price) subject to shareholders' approval by way of Postal Ballot. After the execution of the above, along with the special dividend (including dividend distribution tax) of ₹2,633 crore already paid in June 2018, the Company would complete the distribution of ₹13,000 crore, which was announced as part of its capital allocation policy in April 2018 | | |
| The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors in its meeting held on January 11, 2019 through the postal ballot that concluded on March 12, 2019. At the Maximum buyback price of ₹800/- per Equity share and the Maximum buyback size of ₹8,260 crore, the indicative maximum number of Equity shares bought back would be 10,32,50,000 Equity Shares (Maximum buyback shares) comprising approximately 2.36% of the paid-up equity share capital of the Company as of March 12, 2019 (the date of conclusion of postal ballot for approval for buyback).  The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The Company will fund the buyback from its free reserves. The buyback of equity shares through the stock exchange commenced on March 20, 2019 and is expected to be completed by September 2019. During the year ended March 31, 2019, 1,26,52,000 equity shares were purchased from the stock exchange which includes 18,18,000 shares which have been purchased but not extinguished as of March 31, 2019 and 36,36,000 shares which have been purchased but have not been settled and therefore not extinguished as of March 31, 2019. In accordance with section 69 of the Companies Act, 2013, during the year ended March 31, 2019 , the Company has created ‘Capital Redemption Reserve’ of ₹5 crore equal to the nominal value of the shares bought back as an appropriation from general reserve. | | |
| The Board, at its meeting on August 19, 2017, approved a proposal for the Company to buyback its fully paid-up equity shares of face value of `5/- each from the eligible equity shareholders of the Company for an amount not exceeding `13,000 crore. The shareholders approved the said proposal of buyback of Equity Shares through the postal ballot that concluded on October 7, 2017. The Buyback offer comprised a purchase of 11,30,43,478 Equity Shares aggregating 4.92% of the paid-up equity share capital of the Company at a price of `1,150/- per Equity share. The buyback was offered to all eligible equity shareholders (including those who became equity shareholders as on the Record date by cancelling American Depository Shares and withdrawing underlying Equity shares) of the Company as on the Record Date (i.e. November 1, 2017) on a proportionate basis through the "Tender offer" route. The Company concluded the buyback procedures on December 27, 2017 and 11,30,43,478 equity shares were extinguished. The company has utilized its securities premium and general reserve for the buyback of its equity shares. In accordance with section 69 of the Companies Act, 2013, the company has created ‘Capital Redemption Reserve’ of `56 crore equal to the nominal value of the shares bought back as an appropriation from general reserve during the year ended March 31, 2018. | | |
| The Company’s objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of March 31, 2019, 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. | | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Dividends** |  |  |  |  |
| Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. | | | | |
| The Company declares and pays dividends in Indian rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. Dividend distribution tax paid by subsidiaries may be reduced / available as a credit against dividend distribution tax payable by Infosys Limited. | | | | |
| Effective from Fiscal 2018, the Company's policy is to payout up to 70% of the free cash flow of the corresponding Financial Year in such manner (including by way of dividend and / or share buyback) as may be decided by the Board from time to time, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under International Financial Reporting standards(IFRS). Dividend payout includes dividend distribution tax. | | | | |
| The amount of per share dividend recognized as distribution to equity shareholders is as follows: | |  |  | *(in ` )* |
| **Particulars** |  |  | **Year ended March 31,** | |
|  |  |  | **2019** | **2018** |
| Final Dividend for fiscal 2018 |  |  | 10.25 | - |
| Special dividend for fiscal 2018 |  |  | 5.00 | - |
| Interim dividend for fiscal 2019 |  |  | 7.00 | - |
| Special dividend for fiscal 2019 |  |  | 4.00 | - |
| Final dividend for fiscal 2017 |  |  | - | 7.38 |
| Interim dividend for fiscal 2018 |  |  | - | 6.50 |
| *Note: Dividend per equity share disclosed in the above table represents dividends declared previously, retrospectively adjusted for September 2018 bonus issue.* | | | | |
| During the year ended March 31, 2019 on account of the final dividend for fiscal 2018, special divided for fiscal 2018 and fiscal 2019 and interim dividend for fiscal 2019 the Company has incurred a net cash outflow of `13,761 crore inclusive of dividend distribution tax. | | | | |
| The Board of Directors in their meeting on April 12, 2019 recommended a final dividend of ₹10.50/- per equity share for the financial year ended March 31, 2019. This payment is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company, to be held on June 22, 2019 and if approved would result in a net cash outflow of approximately ₹5,504 crore, including dividend distribution tax. The final dividend of `10.50/- per equity share and the resultant expected cash outflow is based on the outstanding number of shares after considering shares bought back by the Company subsequent to the year ended March 31, 2019 | | | | |
| **Bonus issue** |  |  |  |  |
| The details of shareholder holding more than 5% shares as at March 31, 2019 and March 31, 2018 are set out below : | | | | |
| **Name of the shareholder** | **As at March 31, 2019** | | **As at March 31, 2018** | |
|  | **Number of shares** | **% held** | **Number of shares** | **% held** |
| Deutsche Bank Trust Company Americas (Depository of ADR's - legal ownership) | 74,62,54,648 | 17.11 | 37,99,05,859 | 17.39 |
| Life Insurance Corporation of India | 25,43,32,376 | 5.83 | 14,95,14,017 | 6.85 |
| The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2019 and March 31, 2018 is set out below: | | | | |
| *in ` crore, except as stated otherwise* | | | | |
| **Particulars** | **As at March 31, 2019** | | **As at March 31, 2018** | |
|  | **Number of shares** | **Amount** | **Number of shares** | **Amount** |
| Number of shares at the beginning of the year | 2,18,41,14,257 | 1,092 | 2,29,69,44,664 | 1,148 |
| Add: Shares issued on exercise of employee stock options -before bonus issue | 77,233 | - | 213,071 | - |
| Add: Bonus shares issued | 2,18,41,91,490 | 1,092 | - | - |
| Add: Shares issued on exercise of employee stock options -after bonus issue | 548,464 | - | - | - |
| Less: Shares bought back(1)(2) | 12,652,000 | 6 | 11,30,43,478 | 56 |
| Number of shares at the end of the period | **4,35,62,79,444** | **2,178** | **2,18,41,14,257** | **1,092** |
| (1) Includes 18,18,000 shares which have been purchased on account of buyback during the three months ended March 31, 2019 and have not been extinguished as of March 31, 2019 | | | | |
| (2) Includes 36,36,000 shares which have been purchased on account of buyback during the three months ended March 31, 2019 but have not been settled and therefore not extinguished as of March 31, 2019 | | | | |

|  |  |  |
| --- | --- | --- |
| **Retained earnings** |  |  |
| Retained earnings represent the amount of accumulated earnings of the Company. |  |  |
| **Securities premium** |  |  |
| The amount received in excess of the par value has been classified as securities premium. Additionally, share-based compensation recognized in net profit in the Standalone Statement of Profit and Loss is credited to securities premium. | | |
| **Other components of equity** |  |  |
| Other components of equity consist of currency translation, remeasurement of net defined benefit liability / asset, cumulative impact on reversal of unrealized gain on quoted debt securities on adoption of Ind AS 109, 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. | | |
| **Employee Stock Option Plan (ESOP):** |  |  |
| **Accounting Policy** |  |  |
| The Company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account. | | |
| **2015 Stock Incentive Compensation Plan (the 2015 Plan) (formerly 2011 RSU Plan):**  On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board has been authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (the 2015 Plan). The maximum number of shares under the 2015 plan shall not exceed 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). Out of this 1,70,38,883 equity shares will be issued as RSUs at par value and 70,00,000 equity shares will be issued as stock options at market price on the date of the grant. These instruments will generally vest over a period of 4 years and the Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.  Consequent to the September 2018 bonus issue, all outstanding options granted under the stock option plan have been adjusted for bonus shares. Unless otherwise stated , all the prior period share numbers, share prices and weighted average exercise prices in this note have been adjusted to give effect to the September 2018 bonus issue. | | |
| Controlled trust holds 2,03,24,982 and 1,08,01,956 shares (not adjusted for September 2018 bonus issue) as at March 31, 2019 and March 31, 2018, respectively under the 2015 plan. Out of these shares 2,00,000 and 1,00,000 (not adjusted for September 2018 bonus issue) equity shares have been earmarked for welfare activities of the employees as at March 31, 2019 and March 31, 2018, respectively. | | |
| The following is the summary of grants for the year ended March 31, 2019 and March 31, 2018 under the 2015 Plan: | | |
| **Particulars** | **Year ended** | |
|  | **March 31, 2019** | **March 31, 2018** |
| **RSU** |  |  |
| Salil Parekh, CEO and MD - *Refer note 1 below* | 2,60,130 | 226,048 |
| U.B. Pravin Rao, COO and WTD | 68,250 | 54,500 |
| Dr. Vishal Sikka\* | - | 5,40,448 |
| Other KMPs | 3,47,150 | 5,46,200 |
| Employees other than KMPs | 36,65,170 | 31,94,020 |
|  | **4,340,700** | **45,61,216** |
| **ESOP** |  |  |
| U.B. Pravin Rao, COO and WTD | - | 86,000 |
| Dr. Vishal Sikka\* | - | 6,61,050 |
| Other KMPs | - | 88,900 |
| Employees other than KMPs | - | 1,47,200 |
|  | **-** | **9,83,150** |
| **Incentive units - cash settled** |  |  |
| Other employees | 74,090 | 1,00,080 |
|  | **74,090** | **1,00,080** |
| **Total grants** | **4,414,790** | **56,44,446** |
| *Information in the table above is adjusted for September 2018 bonus issue.* |  |  |
| *\* Upon Dr. Vishal Sikka's resignation from the roles of the company, the unvested RSUs and ESOPs have been forfeited* | | |
| ***1. Stock incentives granted to Salil Parekh, CEO and MD*** |  |  |
| *Pursuant to the approval of the shareholders through a postal ballot on February 20, 2018, Salil Parekh (CEO & MD) is eligible to receive under the 2015 Plan:* | | |
| *a) an annual grant of RSUs of fair value ₹3.25 crore which will vest over time in 3 equal annual installments upon completion of each year of service from the respective grant date* | | |
| *b) a one-time grant of RSUs of fair value ₹9.75 crore which will vest over time in 2 equal annual installments upon completion of each year of service from the grant date and* | | |
| *c) annual grant of performance based RSUs of fair value ₹13 crore which will vest after completion of three years the first of which concludes on March 31, 2021, subject to achievement of performance targets set by the Board or its committee.* | | |
| *The Board based on the recommendations of the Nomination and Remuneration committee approved on February 27, 2018, the annual time based grant for fiscal 2018 of 56,512 RSUs (adjusted for September 2018 bonus issue) and the one-time time based grant of 1,69,536 RSUs (adjusted for September 2018 bonus issue). The grants were made effective February 27, 2018.* | | |
| *Further, the Board, based on the recommendations of the Nomination and Remuneration Committee, granted 217,200 (adjusted for September 2018 bonus issue) performance based RSUs to Salil Parekh with an effective date of May 2, 2018. The grants would vest upon successful completion of three full fiscal years with the Company concluding on March 31, 2021 and will be determined based on achievement of certain performance targets for the said three-year period.* | | |

|  |
| --- |
| *The Board based on the recommendations of the Nomination and Remuneration committee approved on January 11, 2019, the annual time based grant for fiscal 2019 of 42,930 RSUs. The grant was made effective February 1, 2019.* |
| *Though the annual time based grants for the remaining employment term ending on March 31, 2023 have not been granted as of March 31, 2019, since the service commencement date precedes the grant date, the company has recorded employment stock compensation expense in accordance with Ind AS 102, Share based payments.* |
| The RSUs and stock options would vest generally over a period of 4 years and shall be exercisable within the period as approved by the Committee. 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. |
| As at March 31, 2019 and March 31, 2018, incentive units outstanding (net of forfeitures) were 1,77,454 and 2,23,514 (adjusted for September 2018 bonus issue), respectively. |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Break-up of employee stock compensation expense** |  |  |  |  |
|  |  |  |  | *(in ₹ crore)* |
| **Year ended March 31,** | | | | |
|  |  |  | **2019** | **2018** |
| Granted to: |  |  |  |  |
| KMP(2) |  |  | 33 | (13) |
| Employees other than KMP |  |  | 149 | 85 |
| Total (1) |  |  | **182** | **72** |
| *(1) Cash settled stock compensation expense included in the above* |  |  | 2 | 1 |
| *(2) Included a reversal of stock compensation cost of ` 35 crore recorded during the three months ended September 30, 2017 towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation* | | | | |
| The carrying value of liability towards cash settled share based payments was ₹9 crore and ₹6 crore as at March 31, 2019 and March 31, 2018, respectively. | | | | |
| The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the year ended March 31, 2019 and March 31, 2018 is set out below: | | | | |
| **Particulars** | **Year ended**  **March 31, 2019** | | **Year ended**  **March 31, 2018** | |
|  | **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 | 75,00,818 | 2.50 | 59,22,746 | 2.50 |
| Granted | 43,40,700 | 3.84 | 45,61,216 | 2.50 |
| Exercised | 18,64,510 | 2.50 | 12,96,434 | 2.50 |
| Forfeited and expired | 7,95,810 | 2.61 | 16,86,710 | 2.50 |
| **Outstanding at the end** | **9,181,198** | **3.13** | **75,00,818** | **2.50** |
| Exercisable at the end | 235,256 | 2.50 | 48,410 | 2.50 |
| **2015 Plan: Employee Stock Options (ESOPs)** |  |  |  |  |
| Outstanding at the beginning | 19,33,826 | 493 | 23,95,300 | 496 |
| Granted | - | - | 983,150 | 472 |
| Exercised | 1,17,350 | 515 | 104,824 | 492 |
| Forfeited and expired | 1,93,300 | 521 | 13,39,800 | 481 |
| **Outstanding at the end** | **1,623,176** | **516** | **19,33,826** | **493** |
| Exercisable at the end | 6,98,500 | 517 | 3,93,824 | 496 |
| *Information in the table above is adjusted for September 2018 bonus issue.* |  |  |  |  |
| During the year ended March 31, 2019 and March 31, 2018 the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹701 and  ₹496. (adjusted for September 2018 bonus issue) respectively. | | | | |
| The following table summarizes information about equity settled RSUs and ESOPs outstanding as at March 31, 2019 | | | | |
| **Options outstanding** | | | | |
| **Range of exercise prices per share (₹)** |  | **No. of shares arising out of options** | **Weighted average remaining contractual life** | **Weighted average exercise price (₹)** |
| **2015 Plan:** |  |  |  |  |
| 0 - 5 (RSU) |  | 9,181,198 | 1.70 | 3.13 |
| 450 - 600 (ESOP) | 1,623,176 | | 5.04 | 516 |
|  | **10,804,374** | | **2.20** | **80** |
| *Information in the table above is adjusted for September 2018 bonus issue.* |  |  |  |  |
| The following table summarizes information about equity settled RSUs and ESOPs outstanding as at March 31, 2018: | | | | |
| **Options outstanding** | | | | |
| **Range of exercise prices per share (₹)** |  | **No. of shares arising out of options** | **Weighted average remaining contractual life** | **Weighted average exercise price (₹)** |
| **2015 Plan:** |  |  |  |  |
| 0 - 2.50 (RSU) |  | 75,00,818 | 1.89 | 2.50 |
| 450 - 600 (ESOP) |  | 19,33,826 | 6.60 | 493 |
|  |  | **94,34,644** | **2.57** | **104** |
| *Information in the table above is adjusted for September 2018 bonus issue.* |  |  |  |  |
| The fair value of each equity settled award is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions: | | | | |
| **Particulars** |  |  | **For options granted in** | |
|  |  |  | **Fiscal 2019- Equity Shares-**  **RSU** | **Fiscal 2019- ADS-RSU** |
| Weighted average share price (₹) / ($- ADS)(1) |  |  | 696 | 10.77 |
| Exercise price (₹)/ ($- ADS)(1) |  |  | 3.31 | 0.06 |
| Expected volatility (%) |  |  | 21-25 | 22-26 |
| Expected life of the option (years) |  |  | 1-4 | 1-4 |
| Expected dividends (%) |  |  | 2.65 | 2.65 |
| Risk-free interest rate (%) |  |  | 7-8 | 2-3 |
| Weighted average fair value as on grant date (₹) / ($- ADS)(1) |  |  | 648 | 10.03 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** |  | **For options granted in** | |  |
|  | **Fiscal 2018- Equity Shares-RSU** | **Fiscal 2018- Equity shares**  **ESOP** | **Fiscal 2018- ADS-RSU** | **Fiscal 2018- ADS- ESOP** |
| Weighted average share price (₹) / ($- ADS)(1) | 572 | 461 | 8.31 | 7.32 |
| Exercise price (₹)/ ($- ADS)(1) | 2.50 | 459 | 0.04 | 7.33 |
| Expected volatility (%) | 20-25 | 25-28 | 21-26 | 25-31 |
| Expected life of the option (years) | 1 - 4 | 3 - 7 | 1 - 4 | 3 - 7 |
| Expected dividends (%) | 2.78 | 2.78 | 2.74 | 2.74 |
| Risk-free interest rate (%) | 6 - 7 | 6 - 7 | 1 - 2 | 1 - 2 |
| Weighted average fair value as on grant date (₹) / ($- ADS)(1) | 533 | 127 | 7.74 | 1.47 |
| *(1) Adjusted for September 2018 bonus issue.* |  |  |  |  |
| 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 behaviour of the employee who receives the RSU / ESOP. Expected volatility during the expected term of the RSU / ESOP 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 RSU / ESOP. | | | | |

|  |  |  |
| --- | --- | --- |
| **2.11 OTHER FINANCIAL LIABILITIES** |  |  |
| *(In ` crore)* | | |
| **Particulars** | **As at** |  |
|  | **March 31, 2019** | **March 31, 2018** |
| **Non-current** |  |  |
| Others |  |  |
| Compensated absences | 38 | 42 |
| Payable for acquisition of business- Contingent consideration | 41 | 13 |
| **Total non-current other financial liabilities** | **79** | **55** |
| **Current** |  | |
| Unpaid dividends | 29 | 22 |
| Others |  |  |
| Accrued compensation to employees | 2,006 | 2,048 |
| Accrued expenses (1) | 2,310 | 1,776 |
| Retention monies | 60 | 63 |
| Payable for acquisition of business - Contingent consideration | 75 | 41 |
| Capital creditors | 653 | 148 |
| Financial liability relating to buyback (refer note 2.10) | 1,202 | - |
| Compensated absences | 1,373 | 1,218 |
| Other payables (2) | 807 | 184 |
| Foreign currency forward and options contracts | 13 | 40 |
| **Total current other financial liabilities** | **8,528** | **5,540** |
| **Total other financial liabilities** | 8,607 | **5,595** |
| Financial liability carried at amortized cost | 7,067 | 4,241 |
| Financial liability carried at fair value through profit or loss | 128 | 91 |
| Financial liability carried at fair value through other comprehensive income | 1 | 3 |
| Contingent consideration on undiscounted basis | 135 | 55 |
| *(1) Includes dues to subsidiaries (Refer note no. 2.23)* | 6 | 9 |
| *(2) Includes dues to subsidiaries (Refer note no. 2.23)* | 13 | 19 |
| In accordance with Ind AS 32 Financial Instruments: Presentation, the Company has recorded a financial liability of `1,202 crore for the obligation to acquire its own equity shares to the extent of standing instructions provided to its registered broker for the buyback as of March 31, 2019 (refer to note 2.10). The financial liability is recognised at the present value of the maximum amount that the Company would be required to pay to the registered broker for buy back, with a corresponding debit in general reserve / retained earnings. | | |
| **2.12 TRADE PAYABLES** |  |  |
| *(In ` crore)* | | |
| **Particulars** | **As at** |  |
|  | **March 31, 2019** | **March 31, 2018** |
| Trade payables(1) | 1,604 | 738 |
| **Total trade payables** | **1,604** | **738** |
| *(1) Includes dues to subsidiaries (refer note no. 2.23)* | 220 | 178 |
| As at March 31, 2019 and March 31, 2018, there are no outstanding dues to Micro, Small and Medium Enterprises. There is no interest due or outstanding on the same. During the year ended March 31, 2019, an amount of ₹30 crore was paid beyond the appointed day as defined in the Micro, Small and Medium Enterprises Development Act 2006, which has been paid as of March 31, 2019. | | |
| **2.13 OTHER LIABILITIES** |  |  |
| *(In ` crore)* | | |
| **Particulars** | **As at** |  |
|  | **March 31, 2019** | **March 31, 2018** |
| **Non current** |  |  |
| Others |  |  |
| Deferred income | 29 | 36 |
| Deferred rent | 140 | 117 |
| **Total non - current other liabilities** | **169** | **153** |
| **Current** |  |  |
| Unearned revenue | 2,094 | 1,887 |
| Client deposits | 19 | 32 |
| Others |  |  |
| Withholding taxes and others | 1,168 | 1,029 |
| Deferred rent | 54 | 24 |
| **Total current other liabilities** | **3,335** | **2,972** |
| **Total other liabilities** | **3,504** | **3,125** |
| **2.14 PROVISIONS** |  |  |
| **Accounting Policy** |  |  |
| A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. | | |

|  |  |  |
| --- | --- | --- |
| **a. Post sales client support** |  |  |
| The Company provides its clients with a fixed-period post sales support for corrections of errors and support on all its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time related revenues are recorded in the Statement of Profit and Loss. The Company estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence. | | |
| **b. Onerous contracts** |  |  |
| Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract. | | |
| **Provision for post-sales client support and others** |  |  |
| *(In ` crore)* | | |
| **Particulars** | **As** | **at** |
|  | **March 31, 2019** | **March 31, 2018** |
| **Current** |  |  |
| Others |  |  |
| Post-sales client support and others | 505 | 436 |
| **Total provisions** | **505** | **436** |
| The movement in the provision for post-sales client support and others is as follows : |  | *(In ` crore)* |
| **Particulars** |  | **Year ended March**  **31, 2019** |
| Balance at the beginning |  | 436 |
| Provision recognized/(reversed) |  | 141 |
| Provision utilized |  | (97) |
| Exchange difference |  | 25 |
| Balance at the end |  | **505** |
| Provision for post-sales client support and others are expected to be utilized over a period of 6 months to 1 year. |  |  |

|  |  |  |
| --- | --- | --- |
| **2.15 INCOME TAXES** |  |  |
| **Accounting Policy** |  |  |
| Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. | | |
| Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to securities premium. | | |
| Income tax expense in the statement of profit and loss comprises: |  | *(In ` crore)* |
| **Particulars** | **Year ended March 31,** | |
|  | **2019** | **2018** |
| Current taxes | 5,189 | 4,003 |
| Deferred taxes | 36 | (250) |
| **Income tax expense** | **5,225** | **3,753** |
| During the quarter ended March 31, 2019, the Company entered into Advance Pricing Agreement (APA) in overseas jurisdictions resulting in a reversal of income tax expense of `94 crore which pertained to prior periods. | | |
| In December 2017, the Company had concluded an Advance Pricing Agreement (“APA”) with the US Internal Revenue Service ("IRS") for the US branch covering the years ending March 2011 to March 2021. Under the APA, the Company and the IRS have agreed on the methodology to allocate revenues and compute the taxable income of the Company’s US Branch operations. In accordance with the APA, the company had reversed income tax expense provision of $225 million (`1,432 crore) which pertained to previous periods which are no longer required. The Company had to pay an adjusted amount of $223 million (approximately `1,424 crore) due to the difference between the taxes payable for prior periods as per the APA and the actual taxes paid for such periods. The Company has paid $215 million ( `1,455 crore).  Further, the “Tax Cuts and Jobs Act (H.R. 1)” was signed into law on December 22, 2017 (“US Tax Reforms”). The US tax reforms has reduced federal tax rates from 35% to 21% effective January 1, 2018 amongst other measures. | | |
| Additionally, income tax expense for the year ended March 31, 2019 and March 31, 2018 includes reversal (net of provisions) of `97 crore and `240 crore, respectively. These reversals pertain to prior periods on account of adjudication of certain disputed matters in favor of the company across various jurisdictions. | | |
| A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below: | | |
|  |  | *(In ` crore)* |
| **Particulars** | **Year ended March 31,** | |
|  | **2019** | **2018** |
| Profit before income taxes | 19,927 | 19,908 |
| Enacted tax rates in India | 34.94% | 34.61% |
| Computed expected tax expense | 6,963 | 6,890 |
| Tax effect due to non-taxable income for Indian tax purposes | (2,628) | (2,008) |
| Overseas taxes | 643 | 678 |
| Tax reversals, overseas and domestic | (144) | (1,566) |
| Effect of exempt non-operating income | (62) | (385) |
| Effect of non-deductible expenses | 376 | 299 |
| Branch profit tax | 25 | (209) |
| Others | 52 | 54 |
| **Income tax expense** | **5,225** | **3,753** |
| The applicable Indian corporate statutory tax rate for the year ended March 31, 2019 and March 31, 2018 is 34.94% and 34.61%, respectively. The increase in the  corporate statutory tax rate to 34.94% is consequent to changes made in the Finance Act, 2018. | | |

|  |  |  |
| --- | --- | --- |
| The foreign tax expense is due to income taxes payable overseas, principally in the United States. In India, the Company has benefited from certain income tax incentives that the Government of India had provided for export of software from the units registered under the Special Economic Zones Act (SEZs), 2005. SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50% of such profits or gains for further five years. Up to 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone re-investment Reserve out of the profit for the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961. | | |
| Entire deferred income tax for the year ended March 31, 2019 and March 31, 2018, relates to origination and reversal of temporary differences except for a credit of  `155 crore (on account of US Tax Reforms explained above), for the year ended March 31, 2018. | | |
| 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, 2019, Infosys' U.S. branch net assets amounted to approximately `5,196 crore. As at March 31, 2019, the Company has a deferred tax liability for branch profit tax of `201 crore (net of credits), as the Company estimates that these branch profits are expected to be distributed in the foreseeable future. | | |
| Other income for the year ended March 31, 2019 and March 31, 2018 includes interest on income tax refund of `50 crore and `257 crore respectively. | | |
| Deferred income tax liabilities have not been recognized on temporary differences amounting to `6,007 crore and `5,045 crore as at March 31, 2019 and March 31, 2018, respectively, associated with investments in subsidiaries and branches as it is probable that the temporary differences will not reverse in the foreseeable future. | | |
| Deferred income tax assets have not been recognized on accumulated losses of ₹146 crore as at March 31, 2019 as it is probable that future taxable profit will be not available against which the unused tax losses can be utilized in the foreseeable future. | | |
| The following table provides details of expiration of unused tax losses: |  |  |
|  |  | *(In ₹ crore)* |
| **Year** |  | **As at** |
|  |  | **March 31, 2019** |
| 2020 |  | 144 |
| 2021 | 2 | |
| **Total** | **146** | |
| The following table provides the details of income tax assets and income tax liabilities as at March 31, 2019 and March 31, 2018: | | |
|  |  | *(In ` crore)* |
| **Particulars** | **As at** | |
|  | **March 31, 2019** | **March 31, 2018** |
| Income tax assets | 6,293 | 5,710 |
| Current income tax liabilities | 1,458 | 1,976 |
| **Net current income tax asset/ (liability) at the end** | **4,835** | **3,734** |
| The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2019 and March 31, 2018 is as follows: | | |
|  |  | *(In ` crore)* |
| **As at** | | |
|  | **March 31, 2019** | **March 31, 2018** |
| Net current income tax asset/ (liability) at the beginning | 3,734 | 1,692 |
| Income tax paid | 6,271 | 6,054 |
| Current income tax expense | (5,189) | (4,003) |
| Income tax benefit arising on exercise of stock options | 8 | - |
| Income tax on other comprehensive income | 6 | (16) |
| Tax impact on buyback expenses | 4 | - |
| Translation differences | 1 | 7 |
| **Net current income tax asset/ (liability) at the end** | **4,835** | **3,734** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2019 is as follows: | | | | | | |
| *(In ` crore)* | | | | | | |
| **Particulars** | **Carrying value as of April 1,**  **2018** | **Changes through profit**  **and loss** | **Changes through OCI** | **Addition on account**  **of business combination** | **Translation difference** | **Carrying value as of March 31, 2019** |
| **Deferred income tax assets** |  |  |  |  |  |  |
| Property, plant and equipment | 181 | 43 | - | - | (1) | 223 |
| Trade receivables | 129 | 35 | - | - | - | 164 |
| Compensated absences | 325 | 24 | - | - | - | 349 |
| Post sales client support | 92 | 3 | - | - | - | 95 |
| Derivative financial instruments | 13 | (8) | - | - | (1) | 4 |
| Credits related to branch profits | 341 | (22) | - | - | 21 | 340 |
| Others | 55 | 29 | 7 | - | 2 | 93 |
| **Total Deferred income tax assets** | **1,136** | **104** | **7** | **-** | **21** | **1,268** |
| **Deferred income tax liabilities** |  |  |  |  |  |  |
| Intangibles | - | - | - | - | - | - |
| Branch profit tax | (505) | (3) | - | - | (33) | (541) |
| Derivative financial instruments | (1) | (98) | (7) | - | - | (106) |
| Others | (7) | (39) | (3) | - | 1 | (48) |
| **Total Deferred income tax liabilities** | **(513)** | **(140)** | **(10)** | **-** | **(32)** | **(695)** |
| The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2018 is as follows: | | | | | | |
| *(In ` crore)* | | | | | | |
| **Particulars** | **Carrying value as of April 1,**  **2017** | **Changes through profit**  **and loss** | **Changes through OCI** | **Addition on account**  **of business combination** | **Translation difference** | **Carrying value as of March 31, 2018** |
| **Deferred income tax assets** |  |  |  |
| Property, plant and equipment | 107 | 75 | - | - | (1) | 181 |
| Computer software | 40 | (40) | - | - | - | - |
| Accrued compensation to employees | 35 | (35) | - | - | - | - |
| Trade receivables | 123 | 6 | - | - | - | 129 |
| Compensated absences | 336 | (11) | - | - | - | 325 |
| Post sales client support | 93 | (1) | - | - | - | 92 |
| Derivative financial instruments | - | 13 | - | - | - | 13 |
| Intangibles | - | (13) | - | 13 | - | - |
| Credits related to branch profits | - | 334 | - | - | 7 | 341 |
| Others | 32 | 23 | - | - | - | 55 |
| **Total Deferred income tax assets** | **766** | **351** | **-** | **13** | **6** | **1,136** |
| **Deferred income tax liabilities** |  |  |  |  |  |  |
| Branch profit tax | (327) | (172) | - | - | (6) | (505) |
| Derivative financial instruments | (88) | 73 | 13 | - | 1 | (1) |
| Others | (5) | (2) | - | - | - | (7) |
| **Total Deferred income tax liabilities** | **(420)** | **(101)** | **13** | **-** | **(5)** | **(513)** |
| The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows: | | | | |  | *(In ` crore)* |
| **Particulars** |  |  |  | **As at** | | |
|  |  |  |  | **March 31, 2019** | | **March 31, 2018** |
| Deferred income tax assets after set off |  |  |  |  | 1,114 | 1,128 |
| Deferred income tax liabilities after set off |  |  |  |  | 541 | 505 |
| Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. | | | | | | |
| In assessing the reliability of deferred income tax assets, the management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced. | | | | | | |

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| --- | --- | --- |
| **2.16 REVENUE FROM OPERATIONS** |  |  |
| **Accounting Policy** |  |  |
| The Company derives revenues primarily from business IT services comprising of software development and related services, consulting and package implementation and from the licensing of software products and platforms across our core and digital offerings (“together called as software related services”). | | |
| Effective April 1, 2018, the Company adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method , the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 1 “Significant Accounting Policies,” in the Company’s 2018 Annual Report for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant. | | |
| Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.  Arrangements with customers for software related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis. | | |
| Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement. | | |
| Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing 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, the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the company is unable to determine the standalone selling price, the company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. | | |
| Revenue from licenses where the customer obtains a “right to use” the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered. | | |
| The company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs. | | |
| Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract. | | |
| Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price. | | |
| The Company presents revenues net of indirect taxes in its statement of Profit and loss. |  |  |
| Revenue from operations for the year ended March 31, 2019 and March 31, 2018 is as follows: |  | *(In ` crore)* |
| **Particulars** | **Year ended March 31,** | |
|  | **2019** | **2018** |
| Revenue from software services | 72,845 | 61,733 |
| Revenue from products and platforms | 262 | 208 |
| **Total revenue from operations** | **73,107** | **61,941** |

|  |  |
| --- | --- |
| **Disaggregate revenue information** |  |
| The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2019 by offerings and contract-type. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors. | |
| *(In ₹ crore)* | |
| **Particulars** | **Year ended March 31, 2019** |
| **Revenue by offerings** |  |
| Core | 49,463 |
| Digital | 23,644 |
| **Total** | **73,107** |
| **Revenues by contract type** |  |
| Fixed Price | 39,383 |
| Time & Materials | 33,724 |
| **Total** | **73,107** |
| **Digital Services** |  |
| Digital Services comprise of service and solution offerings of the company that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems. | |
| **Core Services** |  |
| Core Services comprise traditional offerings of the company that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services. | |
| **Products & platforms** |  |
| The Company also derives revenues from the sale of products and platforms including Infosys Nia - Artificial Intelligence (AI) platform which applies next-generation AI and machine learning. | |
| **Trade receivables and Contract Balances** |  |
| The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.  A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related service are performed. Revenue for fixed price maintenance contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time .  Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.  Invoicing in excess of earnings are classified as unearned revenue.  Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet. | |
| During the year ended March 31, 2019 , the company recognized revenue of `1,776 crore arising from opening unearned revenue as of April 1, 2018.  During the year ended March 31, 2019, `2,355 crore of unbilled revenue pertaining to fixed price development contracts as of April 1, 2018 has been reclassified to Trade receivables upon billing to customers on completion of milestones. | |
| **Performance obligations and remaining performance obligations** |  |
| The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency. | |
| The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019, other than those meeting the exclusion criteria mentioned above, is `44,904 crore. Out of this, the Company expects to recognize revenue of around 50% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote. | |
| The impact on account of applying the erstwhile Ind AS 18 Revenue instead of Ind AS 115 Revenue from contract with customers on the financials results of the Company for the year ended and as at March 31, 2019 is insignificant. On account of adoption of Ind AS 115, unbilled revenues of `2,904 crore as at March 31, 2019 has been considered as a non financial asset. | |

|  |  |  |
| --- | --- | --- |
| **2.17 OTHER INCOME, NET** |  |  |
| **2.17.1 Other income - Accounting Policy** |  |  |
| Other income is comprised primarily of interest income, dividend income, gain / loss on investments and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established. | | |
| **2.17.2 Foreign currency - Accounting Policy** |  |  |
| *Functional currency* |  |  |
| The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million). | | |
| *Transactions and translations* |  |  |
| Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non- monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. | | |
| Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction. | | |
| Effective April 1 , 2018 the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant. | | |
| Other income for the year ended March 31, 2019 and March 31, 2018 is as follows: |  | *(In ` crore)* |
| **Particulars** | **Year ended March 31,** | |
|  | **2019** | **2018** |
| Interest income on financial assets carried at amortized cost |  |  |
| Tax free bonds and government bonds | 137 | 138 |
| Deposit with Bank and others | 1,276 | 1,540 |
| Interest income on financial assets fair valued through other comprehensive income |  |  |
| Non-convertible debentures, commercial paper, certificates of deposit and government securities | 581 | 642 |
| Income on investments carried at fair value through profit or loss |  |  |
| Dividend income on liquid mutual funds | 2 | 3 |
| Gain / (loss) on liquid mutual funds | 175 | 227 |
| Dividend income from subsidiaries | - | 846 |
| Write down of investment in subsidiary (refer note no 2.3) | - | (122) |
| Exchange gains/(losses) on foreign currency forward and options contracts | 184 | (12) |
| Exchange gains/(losses) on translation of assets and liabilities | 144 | 265 |
| Miscellaneous income, net | 353 | 492 |
| **Total other income** | **2,852** | **4,019** |
| **2.18 EXPENSES** |  |  |
| *(In ` crore)* | | |
| **Particulars** | **Year ended March 31,** | |
|  | **2019** | **2018** |
| *Employee benefit expenses* |  |  |
| Salaries including bonus | 37,185 | 31,618 |
| Contribution to provident and other funds | 797 | 695 |
| Share based payments to employees (Refer note no. 2.10) | 182 | 72 |
| Staff welfare | 132 | 87 |
|  | **38,296** | **32,472** |
| *Cost of software packages and others* |  |  |
| For own use | 793 | 774 |
| Third party items bought for service delivery to clients | 853 | 496 |
|  | **1,646** | **1,270** |

|  |  |  |
| --- | --- | --- |
| *Other expenses* |  |  |
| Power and fuel | 171 | 162 |
| Brand and Marketing | 406 | 247 |
| Operating lease payments | 339 | 328 |
| Rates and taxes | 110 | 116 |
| Repairs and Maintenance | 1,051 | 902 |
| Consumables | 33 | 22 |
| Insurance | 55 | 47 |
| Provision for post-sales client support and others | (6) | 127 |
| Commission to non-whole time directors | 7 | 9 |
| Impairment loss recognized / (reversed) under expected credit loss model | 184 | 24 |
| Auditor's remuneration |  |  |
| Statutory audit fees | 4 | 3 |
| Tax matters | 1 | 1 |
| Other services | - | - |
| Contributions towards Corporate Social Responsibility | 245 | 142 |
| Others | 170 | 54 |
|  | **2,770** | **2,184** |
| **2.19 LEASES** |  |  |
| **Accounting policy** |  |  |
| Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Statement of Profit and Loss over the lease term. | | |
| The lease rentals charged during the period is as follows: |  |  |
| *(In ` crore)* | | |
| **Particulars** | **Year ended March 31,** | |
|  | **2019** | **2018** |
| Lease rentals recognized during the period | 339 | 328 |
| The obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows: | | |
| *(In ` crore)* | | |
| **As at** | | |
| **Future minimum lease payable** | **March 31, 2019** | **March 31, 2018** |
| Not later than 1 year | 391 | 267 |
| Later than 1 year and not later than 5 years | 1,191 | 877 |
| Later than 5 years | 800 | 755 |
| The operating lease arrangements, are renewable on a periodic basis and for most of the leases extend upto a maximum of ten years from their respective dates of inception and relates to rented premises. Some of these lease agreements have price escalation clauses. | | |

* 1. **EMPLOYEE BENEFITS Accounting Policy**
     1. **Gratuity**

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

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

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

* + 1. **Provident fund**

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

* + 1. **Superannuation**

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

* + 1. **Compensated absences**

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

**a. Gratuity**

The following tables set out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as at March 31, 2019 and March 31, 2018:

*(In ` crore)*

# Particulars As at March 31,

|  |  |  |
| --- | --- | --- |
|  | **2019** | **2018** |
| **Change in benefit obligations**  Benefit obligations at the beginning | 1,028 | 979 |
| Service cost | 135 | 131 |
| Interest expense | 73 | 64 |
| Transfer of obligation | 1 | 4 |
| Remeasurements - Actuarial (gains)/ losses | 31 | (57) |
| Benefits paid | (110) (93) | |
| **Benefit obligations at the end** | **1,158 1,028** | |
| **Change in plan assets** |  | |
| Fair value of plan assets at the beginning | 1,051 | 1035 |
| Interest income | 78 | 69 |
| Transfer of assets | 2 | 4 |
| Remeasurements- Return on plan assets excluding amounts included in interest income | 4 | 11 |
| Contributions | 158 | 25 |
| Benefits paid | (110) (93) | |
| **Fair value of plan assets at the end** | **1,183 1,051** | |
| Funded status | 25 23 | |

|  |  |  |
| --- | --- | --- |
| The amount for the year ended March 31, 2019 and March 31, 2018 recognized in the Statement of Profit and Loss under employee benefit expense are  as follows: | | |
| *(In ` crore)* | | |
| **Particulars** | **Year ended March 31,** | |
|  | **2019** | **2018** |
| Service cost | 135 | 131 |
| Net interest on the net defined benefit | (5) | (5) |
| Curtailment gain | #REF! | #REF! |
| **Net gratuity cost** | **#REF!** | **#REF!** |
| The amounts for the year ended March 31, 2019 and March 31, 2018 recognized in statement of other comprehensive income are as follows: | | |
| *(In ` crore)* | | |
| **Particulars** | **Year ended March 31,** | |
|  | **2019** | **2018** |
| **Remeasurements of the net defined benefit liability/ (asset)** |  |  |
| Actuarial (gains) / losses | 31 | (57) |
| (Return) / loss on plan assets excluding amounts included in the net interest  on the net defined benefit liability/(asset) | (4) | (11) |
|  | **27** | **(68)** |
| *(In ` crore)* | | |
| **Particulars** | **Year ended March 31,** | |
|  | **2019** | **2018** |
| (Gain)/loss from change in demographic assumptions | - | - |
| (Gain)/loss from change in financial assumptions | 26 | (36) |
| (Gain)/loss from change in experience assumptions | 5 | (21) |
|  | **31** | **(57)** |
| The weighted-average assumptions used to determine benefit obligations as at March 31, 2019 and March 31, 2018 are set out below: | | |
| **Particulars** | **Year ended March 31,** | |
|  | **2019** | **2018** |
| Discount rate | 7.1% | 7.5% |
| Weighted average rate of increase in compensation levels | 8.0% | 8.0% |
| The weighted-average assumptions used to determine net periodic benefit cost for the year ended March 31, 2019 and March 31, 2018 are set out below: | | |
| **Particulars** | **Year ended March 31,** | |
|  | **2019** | **2018** |
| Discount rate | 7.5% | 6.9% |
| Weighted average rate of increase in compensation levels | 8.0% | 8.0% |
| Weighted average duration of defined benefit obligation | 5.9 years | 6.1 years |
| Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India. | | |
| The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield. | | |
| Sensitivity of significant assumptions used for valuation of defined benefit obligations |  | *( ` in crore)* |
| **Impact from percentage point increase / decrease in** |  | **As at March 31,** |
|  |  | **2019** |
| Discount Rate |  | 67 |
| Weighted average rate of increase in compensation level |  | 59 |
| Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is not probable, and changes in some of the assumptions may be correlated. | | |
| Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit gratuity plans. | | |

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| The Company contributes all ascertained liabilities towards gratuity to the Infosys Limited Employees' Gratuity Fund Trust. Trustees administer contributions made to the trust. As at March 31, 2019 and March 31, 2018, the plan assets have been primarily invested in insurer managed funds. | | |
| Actual return on assets for each of the year ended March 31, 2019 and March 31, 2018 was `82 crore and `80 crore respectively. | | |
| The Company expects to contribute `140 crore to the gratuity trusts during the fiscal 2020. | | |
| Maturity profile of defined benefit obligation: |  |  |
| *(In ` crore)* | | |
| Within 1 year |  | 158 |
| 1-2 year |  | 170 |
| 2-3 year |  | 181 |
| 3-4 year |  | 190 |
| 4-5 year |  | 204 |
| 5-10 years |  | 1,047 |
| **b. Superannuation** |  |  |
| The Company contributed `199 crore and `158 crore to the Superannuation trust during the year ended March 31, 2019 and March 31, 2018 respectively and the same has been recognized in the Statement of Profit and Loss account under the head employee benefit expense. | | |
| **c. Provident fund** |  |  |
| Infosys has an obligation to fund any shortfall on the yield of the trust’s investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2019 and March 31, 2018 respectively. | | |
| The details of fund and plan asset position are given below: |  |  |
| *(In ` crore)* | | |
| **Particulars** | **Year ended March 31,** | |
|  | **2019** | **2018** |
| Benefit obligation at the period end | 5,989 | 5,160 |
| Net liability recognized in balance sheet | - | - |
| The plan assets have been primarily invested in government securities. |  |  |
| Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach: | | |
| **Particulars** | **Year ended March 31,** | |
|  | **2019** | **2018** |
| Government of India (GOI) bond yield | 7.10% | 7.50% |
| Remaining term to maturity of portfolio | 5.47 years | 5.9 years |
| Expected guaranteed interest rate | 8.65% | 8.55% |
| The Company contributed `451 crore and `397 crore during the year ended March 31, 2019 and March 31, 2018 respectively and the same has been recognized in the Statement of Profit and Loss under the head employee benefit expense. | | |
| The provident plans are applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit plans. | | |
| Employee benefits cost include: |  |  |
| *(In ` crore)* | | |
| **Particulars** | **Year ended March 31,** | |
|  | **2019** | **2018** |
| Salaries and bonus(1)(2) | 37,516 | 31,791 |
| Defined contribution plans | 199 | 158 |
| Defined benefit plans | 581 | 523 |
|  | **38,296** | **32,472** |
| *(1) Includes employee stock compensation expense of ` 182 crore and ` 72 crore for the year ended March 31, 2019 and March 31, 2018, respectively (Refer note 2.10).* | | |
| *(2) Included in the above for the year ended March 31, 2018 is a reversal of stock compensation cost of ` 35 crore towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation. (Refer note no. 2.10).* | | |

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| --- | --- | --- | --- |
| **2.21 RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNING PER SHARE** | | | |
| **Accounting Policy** |  |  |  |
| Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. | | | |
| The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors. | | | |
| The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share: | | | |
| **Particulars** |  | **Year ended March 31,** | |
|  |  | **2019** | **2018** |
| Basic earnings per equity share - weighted average number of equity shares outstanding |  | 4,36,82,12,119 | 4,53,26,87,604 |
| Effect of dilutive common equivalent shares - share options outstanding |  | 22,00,229 | 20,97,638 |
| Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding |  | **4,37,04,12,348** | **4,53,47,85,242** |
| *\* Information in above table is adjusted for September 2018 Bonus issue.(refer note no.2.10)* |  |  |  |
| For the year ended March 31, 2019 and March 31, 2018 number of options to purchase equity shares that had an anti-dilutive effect are Nil and 55,752 (adjusted for September 2018 bonus issue) respectively. | | | |
| **2.22 CONTINGENT LIABILITIES AND COMMITMENTS** |  |  |  |
| *(In ` crore)* | | | |
| **Particulars** |  | **As at** |  |
|  |  | **March 31, 2019** | **March 31, 2018** |
| **Contingent liabilities :** |  |  |  |
| Claims against the Company, not acknowledged as debts*(1)* |  | 2,947 | 4,627 |
| [Amount paid to statutory authorities `5,861 crore (*` 6,486 crore* )] |  |  |  |
| **Commitments :** |  |  |  |
| Estimated amount of contracts remaining to be executed on capital contracts and not provided for |  | 1,653 | 1,405 |
| (net of advances and deposits) |  |  |  |
| Other Commitments\* |  | 17 | 36 |
| *\*Uncalled capital pertaining to investments* |  |  |  |
| (1) As at March 31, 2019, claims against the company not acknowledged as debts in respect of income tax matters amounted to `2,811 crore. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial position and results of operations.  Amount paid to statutory authorities against the above tax claims amounted to `5,860 crore.  Subsequent to March 31, 2018, the Supreme Court of India ruled favorably in respect of certain income tax claims which have been given effect in the above disclosure of claims as of March 31, 2019. | | | |
| The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company’s management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company’s results of operations or financial condition. | | | |
| **2.23 RELATED PARTY TRANSACTIONS** |  |  |  |
| List of related parties: |  |  |  |
| **Name of subsidiaries** | **Country** | **Holdings as at** | |
|  |  | **March 31, 2019** | **March 31, 2018** |
| Infosys Technologies (China) Co. Limited (Infosys China) | China | 100% | 100% |
| Infosys Technologies S. de R. L. de C. V. (Infosys Mexico) | Mexico | 100% | 100% |
| Infosys Technologies (Sweden) AB. (Infosys Sweden) | Sweden | 100% | 100% |
| Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai) | China | 100% | 100% |
| Infosys Tecnologia DO Brasil LTDA. (Infosys Brasil) | Brazil | 100% | 100% |
| Infosys Nova Holdings LLC. (Infosys Nova) | U.S. | 100% | 100% |
| EdgeVerve Systems Limited (EdgeVerve) | India | 100% | 100% |
| Infosys Austria GmbH*(1)* (formerly Lodestone Management Consultants GmbH) | Austria | 100% | 100% |
| Skava Systems Pvt. Ltd. (Skava Systems) | India | 100% | 100% |
| Kallidus Inc. (Kallidus) | U.S. | 100% | 100% |
| Infosys Chile SpA*(2)* | Chile | 100% | - |
| Infosys Arabia Limited*(3)* | Saudi Arabia | 70% | 70% |
| Infosys Consulting Ltda.*(3)* | Brazil | 99.99% | 99.99% |
| Infosys CIS LLC(1)(22) | Russia | - | - |
| Infosys Luxembourg S.a.r.l *(1)(17)* | Luxembourg | 100% | - |
| Infosys Americas Inc., (Infosys Americas) | U.S. | 100% | 100% |
| Infosys Technologies (Australia) Pty. Limited (Infosys Australia)*(4)* | Australia | 100% | 100% |
| Infosys Public Services, Inc. USA (Infosys Public Services) | U.S. | 100% | 100% |
| Infosys Canada Public Services Inc*(23)* | Canada | - | - |
| Infosys Canada Public Services Ltd*(24)* | Canada | - | - |
| Infosys BPM Limited (formerly Infosys BPO Limited) | India | 99.98% | 99.98% |
| Infosys (Czech Republic) Limited s.r.o.*(5)* | Czech Republic | 99.98% | 99.98% |
| Infosys Poland, Sp z.o.o*(5)* | Poland | 99.98% | 99.98% |
| Infosys McCamish Systems LLC *(5)* | U.S. | 99.98% | 99.98% |
| Portland Group Pty Ltd*(5)* | Australia | 99.98% | 99.98% |

|  |  |  |  |
| --- | --- | --- | --- |
| Infosys BPO Americas LLC.*(5)* | U.S. | 99.98% | 99.98% |
| Infosys Consulting Holding AG (Infosys Lodestone) | Switzerland | 100% | 100% |
| Lodestone Management Consultants Inc.*(6)(15)* | U.S. | - | 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% |
| Infosys Consulting s.r.o.*(6)* | Czech Republic | 100% | 100% |
| Infosys Consulting (Shanghai) Co. Ltd. *(formerly Lodestone Management Consultants Co., Ltd.) (6)* | China | 100% | 100% |
| Infy Consulting Company Ltd*(6)* | U.K. | 100% | 100% |
| Infy Consulting B.V.*(6)* | The Netherlands | 100% | 100% |
| Infosys Consulting Sp. z.o.o*(6)* | Poland | 100% | 100% |
| Lodestone Management Consultants Portugal, Unipessoal, Lda. *(6)* | Portugal | 100% | 100% |
| S.C. Infosys Consulting S.R.L.*(1)* | Romania | 100% | 100% |
| Infosys Consulting S.R.L.*(6)* | Argentina | 100% | 100% |
| Infosys Consulting (Belgium) NV (formerly Lodestone Management Consultants (Belgium) S.A.)*(7)* | Belgium | 99.90% | 99.90% |
| Panaya Inc. (Panaya) | U.S. | 100% | 100% |
| Panaya Ltd*. (8)* | Israel | 100% | 100% |
| Panaya GmbH*(8)* | Germany | 100% | 100% |
| Panaya Japan Co. Ltd*(4)(8)* | Japan | 100% | 100% |
| Noah Consulting LLC (Noah)*(9)* | U.S. | - | - |
| Noah Information Management Consulting Inc. (Noah Canada)*(10)* | Canada | - | - |
| Brilliant Basics Holdings Limited (Brilliant Basics)*(11)* | U.K. | 100% | 100% |
| Brilliant Basics Limited*(12)* | U.K. | 100% | 100% |
| Brilliant Basics (MENA) DMCC*(12)* | Dubai | 100% | 100% |
| Infosys Consulting Pte Limited (Infosys Singapore)*(1)* | Singapore | 100% | 100% |
| Infosys Middle East FZ LLC*(13)* | Dubai | 100% | 100% |
| Fluido Oy*(13)(18)* | Finland | 100% | - |
| Fluido Sweden AB (Extero)*(19)* | Sweden | 100% | - |
| Fluido Norway A/S*(19)* | Norway | 100% | - |
| Fluido Denmark A/S*(19)* | Denmark | 100% | - |
| Fluido Slovakia s.r.o*(19)* | Slovakia | 100% | - |
| Fluido Newco AB*(19)* | Sweden | 100% | - |
| Infosys Compaz Pte. Ltd (formerly Trusted Source Pte. Ltd) *(20)* | Singapore | 60% | - |
| Infosys South Africa (Pty) Ltd*(13)(21)* | South Africa | - | - |
| WongDoody Holding Company Inc. (WongDoody) *(14)* | U.S. | 100% | - |
| WDW Communications, Inc*(16)* | U.S. | 100% | - |
| WongDoody, Inc*(16)* | U.S. | 100% | - |

*(1) Wholly-owned subsidiary of Infosys Limited*

*(2) Incorporated effective November 20, 2017*

*(3) Majority owned and controlled subsidiary of Infosys Limited*

*(4) Under liquidation*

*(5) Wholly owned subsidiary of Infosys BPM*

*(6) Wholly owned subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*

*(7) Majority owned and controlled subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*

*(8) Wholly owned subsidiary of Panaya Inc .*

*(9) Liquidated effective November 9, 2017*

*(10) Wholly owned subsidiary of Noah. Liquidated effective December 20, 2017*

*(11) On September 8, 2017, Infosys acquired 100% of the voting interests in Brilliant Basics Holding Limited*

*(12) Wholly-owned subsidiary of Brilliant Basics Holding Limited.*

*(13) Wholly-owned subsidiary of Infosys Consulting Pte Ltd*

*(14) On May 22, 2018, Infosys acquired 100% of the voting interest in WongDoody*

*(15) Liquidated effective May 4, 2018*

*(16) Wholly-owned subsidiary of WongDoody*

*(17) Incorporated effective August 6, 2018*

*(18) On October 11, 2018, Infosys Consulting Pte. Ltd, acquired 100% of the voting interests in Fluido Oy and its subsidiaries*

*(19) Wholly-owned subsidiary of Fluido Oy*

*(20) On November 16, 2018 , Infosys Consulting Pte. Ltd, acquired 60% of the voting interest in Infosys Compaz Pte. Ltd*

*(21) Incorporated effective December 19,2018*

*(22) Incorporated effective November 29, 2018*

*(23) Incorporated effective November 27, 2018, wholly owned subsidiary Infosys Public Services Inc*

*(24) Liquidated effective May 9, 2017, wholly owned subsidiary Infosys Public Services Inc*

Infosys has provided guarantee for performance of certain contracts entered into by its subsidiaries.

|  |  |  |  |
| --- | --- | --- | --- |
| **Associate** |  |  |  |
| During the year ended March 31, 2018, the Company has written down the entire carrying value of the investment in its associate DWA Nova LLC amounting to ₹71 crore. DWA Nova LLC has been liquidated w.e.f November 17, 2017 | | | |
| **List of other related party** |  |  |  |
| **Particulars** | **Country** | **Nature of relationship** |  |
| Infosys Limited Employees' Gratuity Fund Trust | India | Post-employment benefit plan of Infosys | |
| Infosys Limited Employees' Provident Fund Trust | India | Post-employment benefit plan of Infosys | |
| Infosys Limited Employees' Superannuation Fund Trust | India | Post-employment benefit plan of Infosys | |
| Infosys Employees Welfare Trust | India | Controlled trust |  |
| Infosys Employee Benefits Trust | India | Controlled trust |  |
| Infosys Science Foundation | India | Controlled trust |  |
| Refer note no. 2.20 for information on transactions with post-employment benefit plans mentioned above. | | | |
| **List of key management personnel** |  |  |  |
| **Whole-time directors** |  |  |  |
| Salil Parekh appointed as Chief Executive Officer and Managing Director effective January 2, 2018. The appointment is for a term of 5 years with effect from January 2, 2018 to January 1, 2023 and  the remuneration is approved by shareholders through postal ballot dated February 20, 2018. | | | |
| U. B. Pravin Rao, Chief Operating officer appointed as Interim-Chief Executive Officer and Managing Director effective August 18, 2017. Subsequently he stepped down as the interim CEO and Managing Director effective January 2, 2018 and will continue as Chief Operating Officer and a whole-time director of the Company. | | | |
| Dr. Vishal Sikka resigned as Chief Executive Officer and Managing Director effective August 18, 2017 and as Executive Vice Chairman effective August 24, 2017 | | | |
| **Non-whole-time directors** |  |  |  |
| Nandan M. Nilekani (appointed as Non-Executive, Non-Independent Chairman effective August 24, 2017) | | | |
| Micheal Gibbs (appointed as Independent director effective July 13, 2018) |  |  |  |
| Ravi Venkatesan (resigned from his position as Co-Chairman effective August 24, 2017 and resigned as member of the Board effective May 11, 2018) | | | |
| Kiran Mazumdar-Shaw |  |  |  |
| Roopa Kudva |  |  |  |
| Dr. Punita Kumar-Sinha |  |  |  |
| D. N. Prahlad |  |  |  |
| D. Sundaram (appointed effective July 14, 2017) |  |  |  |
| Prof. Jeffrey Lehman, (resigned effective August 24, 2017) |  |  |  |
| R. Seshasayee (resigned effective August 24, 2017) |  |  |  |
| Prof. John Etchemendy (resigned effective August 24, 2017) |  |  |  |
| **Executive Officers** |  |  |  |
| Nilanjan Roy (appointed as Chief Financial Officer effective March 1, 2019) |  |  |  |
| Jayesh Sanghrajka (appointed as Interim-Chief Financial Officer effective November 17, 2018. He resumed his responsibilities as Deputy Chief Financial Officer effective March 1, 2019) | | | |
| M.D. Ranganath (resigned as Chief Financial Officer effective November 16, 2018) |  |  |  |
| Mohit Joshi, President |  |  |  |
| Rajesh K. Murthy, President (appointed effective October 13, 2016 and resigned effective January 31, 2018) | | | |
| Ravi Kumar S, President and Deputy Chief Operating Officer |  |  |  |
| Sandeep Dadlani, President (resigned effective July 14, 2017) |  |  |  |
| Krishnamurthy Shankar, Group Head - Human Resources |  |  |  |
| Gopi Krishnan Radhakrishnan - Acting General Counsel (resigned effective June 24, 2017) |  |  |  |
| Inderpreet Sawhney, Group General Counsel and Chief Compliance Officer (appointed as executive officer effective July 14, 2017) | | | |
| **Company Secretary** |  |  |  |
| A. G. S. Manikantha |  |  |  |
| The details of amounts due to or due from related parties as at March 31, 2019 and March 31, 2018 are as follows: | | | |
| *(In ` crore)* | | | |
| **Particulars** |  | **As at** |  |
|  |  | **March 31, 2019** | **March 31, 2018** |
| **Investment in debentures** |  |  |  |
| EdgeVerve*(1)* |  | 1,445 | 1,780 |
|  |  | **1,445** | **1,780** |
| **Trade receivables** |  |  |  |
| EdgeVerve |  | 3 | - |
| Infosys China |  | 23 | 29 |
| Infosys Mexico |  | 3 | 4 |
| Infosys Brasil |  | 1 | 1 |
| Infosys BPM |  | 10 | 5 |
| Infy Consulting Company Ltd. |  | 13 | 77 |
| Infosys Public Services |  | 57 | 53 |
| Infosys Shanghai |  | 6 | 7 |
| Infosys Sweden |  | - | 1 |
| Kallidus |  | - | 13 |
| Infosys McCamish Systems LLC |  | 89 | 70 |
| Panaya Ltd |  | 115 | 75 |
| Infosys Compaz Pte. Ltd |  | 5 | - |
|  |  | **325** | **335** |

#### Loans

Infosys China (2) 82 73

Infosys Consulting Holding AG(3) 89 104

Brilliant Basics Holdings Limited (4) 7 8

Infosys Consulting Pte Ltd (5) 663 -

#### 841 185

#### Prepaid expense and other assets

Panaya Ltd. 109 114

Brilliant Basics Limited - 1

#### 109 115

**Other financial assets**

Infosys BPM 10 10

Panaya Ltd. 3 2

Infosys Consulting GmbH 2 1

Infosys China 2 2

Infosys Shanghai 1 -

Infy Consulting Company Ltd. 3 9

Infosys Consulting AG 1 1

Infosys Public Services 3 6

Infosys Consulting Pte Ltd. - 1

Kallidus 2 1

Infosys Consulting Ltda. 1 1

Skava Systems Pvt. Ltd. 1 1

Lodestone Management Consultants Co., Ltd - 1

Infosys Brasil 1 -

Edgeverve - 3

Brilliant Basics Limited 1 -

Infosys Mexico 1 1

McCamish Systems LLC 1 -

Infosys Compaz Pte. Ltd 1 -

#### 34 40

**Unbilled revenues**

EdgeVerve 40 32

Kallidus 11 -

#### 51 32

**Trade payables**

Infosys China 8 7

Infosys BPM 50 54

Infosys (Czech Republic) Limited s.r.o. 6 3

Infosys Mexico 6 6

Infosys Sweden 3 5

Infosys Shanghai 6 6

Infosys Management Consulting Pty Limited 9 8

Infosys Consulting Pte Ltd. 4 2

Infy Consulting Company Ltd. 87 67

Infosys Brasil 2 2

Brilliant Basics Limited 7 7

Panaya Ltd. 4 6

Infosys Public Services 4 2

Kallidus 2 -

Portland Group Pty Ltd 1 -

Infosys Chile SpA 1 -

Infosys Middle East FZ-LLC 12 -

Infosys Poland Sp Z.o.o 1 3

McCamish Systems LLC 1 -

WDW Communications, Inc. 6 -

#### 220 178

**Other financial liabilities**

Infosys BPM 4 2

Infosys Mexico 2 1

Infosys Public Services - 5

Infosys China 1 1

Infosys Consulting GmbH 5 1

Infosys Middle East FZ-LLC - 8

Infosys Consulting AG 1 1

**13 19**

**Accrued expenses**

Infosys BPM 6 9

#### 6 9

*(1)* At an interest rate of 8.39% per annum.

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

*(3)* Interest at the rate of 2.5% per annum repayable on demand

*(4)* Interest at the rate of 3.5% per annum repayable on demand

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

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Maximum amount outstanding during the** | |
|  | **Year ended March**  **31, 2019** | **Year ended March 31,**  **2018** |
| **Loans and advances in the nature of loans given to Subsidiaries:** |  |  |
| Infosys China | 86 | 92 |
| Brilliant Basics | 8 | 8 |
| Infosys Consulting Pte Ltd | 678 | - |
| Infosys Consulting Holding AG | 114 | 105 |
| The details of the related parties transactions entered into by the Company for the year ended March 31, 2019 and March 31, 2018 are as follows: | | |
| *(In ` crore)* | | |
| **Particulars** | **Year ended March 31,** | |
|  | **2019** | **2018** |
| **Capital transactions:** |  |  |
| **Financing transactions** |  |  |
| **Equity** |  |  |
| Infosys Consulting Brazil | 43 | - |
| Wongdoody Holding Company Inc(1) | 261 | - |
| Infosys Chile SpA | 7 | - |
| Panaya Inc. | - | 38 |
| Brilliant Basics Holding Limited | 13 | 29 |
| Infosys Arabia Limited | - | 2 |
| Infosys China | - | 97 |
| Infosys Luxembourg S.a r.l. | 4 | - |
| Infosys Australia (3) | (33) | - |
| Infosys Shanghai | - | 74 |
| Infosys Brazil | 127 | - |
| S.C. Infosys Consulting S.R.L | 34 | - |
|  | **456** | **240** |
| **Debentures (net of repayment)** |  |  |
| Edgeverve | (335) | (349) |
|  | **(335)** | **(349)** |
| **Loans (net of repayment)** |  |  |
| Infosys Consulting Holding AG | (20) | 99 |
| Brilliant Basics Holdings Limited | - | 7 |
| Infosys Consulting Pte Ltd. | 678 | - |
|  | **658** | **106** |
| **Revenue transactions:** |  |  |
| Purchase of services |  |  |
| Infosys China | 85 | 88 |
| Infosys Management Consulting Pty Limited | 94 | 99 |
| Infy Consulting Company Limited | 857 | 729 |
| Infosys Consulting Pte Ltd. | 40 | 41 |
| Portland Group Pty Ltd | 16 | 9 |
| Infosys (Czech Republic) Limited s.r.o. | 56 | 40 |
| Infosys BPM | 655 | 502 |
| Infosys Sweden | 52 | 56 |
| Infosys Shanghai | 74 | 65 |
| Infosys Mexico | 71 | 27 |
| Infosys Public Services | 39 | 22 |
| Panaya Ltd. | 94 | 84 |
| Infosys Brasil | 13 | 13 |
| Infosys Poland Sp Z.o.o | 29 | 14 |
| Kallidus | 51 | 7 |
| Brilliant Basics Limited | 74 | 24 |
| Brilliant Basics (MENA) | 3 | - |
| Infosys Chile SpA | 5 | - |
| Infosys Middle East FZ-LLC | 95 | 22 |
| Noah Consulting, LLC(2) | - | 91 |
| McCamish Systems LLC | 7 | 3 |
| Noah Canada | - | 2 |
| WDW Communications, Inc. | 11 | - |
| WongDoody, Inc. | 2 | - |
|  | **2,423** | **1,938** |
| **Purchase of shared services including facilities and personnel** |  |  |
| Brilliant Basics Limited | 7 | 1 |
| Infosys BPM | 3 | 21 |
| Kallidus Inc | - | 4 |
| Infosys Consulting AG | - | 1 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Infosys Mexico |  | - | 2 |
|  | WDW Communications, Inc. |  | 1 | - |
|  |  |  | **11** | **29** |
| **Interest income** | | | | |
|  | Infosys China |  | 5 | 4 |
|  | Infosys Consulting Holding AG |  | 2 | 2 |
|  | Infosys Consulting Pte Ltd. |  | 6 | - |
|  | EdgeVerve |  | 141 | 156 |
|  |  |  | **154** | **162** |
| **Dividend Income** | | | | |
|  | Infosys BPM |  | **-** | 846 |
|  |  |  | **-** | **846** |
| **Sale of services** | | | | |
|  | Infosys China |  | 31 | 27 |
|  | Infosys Mexico |  | 20 | 22 |
|  | Infy Consulting Company Limited |  | 54 | 40 |
|  | Infosys Brasil |  | 6 | 5 |
|  | Infosys BPM |  | 101 | 70 |
|  | McCamish Systems LLC |  | 238 | 113 |
|  | Infosys Sweden |  | 3 | 11 |
|  | Infosys Shanghai |  | 8 | 7 |
|  | EdgeVerve |  | 469 | 407 |
|  | Kallidus Inc |  | - | 2 |
|  | Infosys Public Services |  | 766 | 628 |
|  | Infosys Compaz Pte Ltd | 13 | | - |
|  |  | **1,709** | | **1,332** |
| **Sale of shared services including facilities and personnel** | | | | |
|  | EdgeVerve |  | 36 | 40 |
|  | Panaya Ltd. |  | 45 | 48 |
|  | Infosys Consulting SAS |  | - | 1 |
|  | Infy Consulting Company Limited |  | - | 3 |
|  | Infy Consulting B.V |  | - | 1 |
|  | Infosys BPM |  | 27 | 67 |
|  | Infosys Public Services |  | - | 2 |
|  |  |  | **108** | **162** |
| *(1) Excludes contingent consideration* | | | | |
| *(2) Refer note no. 2.3* | | | | |
| *(3) Represents redemption of investment* | | | | |
| **Transactions with key management personnel** | | | | |
| The related party transactions with above KMP which comprise directors and executive officers are as follows : | | | | |
| *(In ` crore)* | | | | |
| **Particulars** | | **Year ended March 31,** | | |
|  |  | **2019** | | **2018** |
| Salaries and other employee benefits to whole-time directors and executive officers *(1)(2)(3)(4)(5)* | |  | 96 | 48 |
| Commission and other benefits to non-executive/independent directors | |  | 7 | 10 |
| Total |  |  | **103** | **58** |
|  |  |  |  |  |
| *(1) Total employee stock compensation expense for the year ended March 31, 2019 includes a charge of ` 33 crore, towards key managerial personnel. For the year ended March 31, 2018 includes a reversal of ` 13 crore was recorded towards key managerial personnel. (Refer note no. 2.10)* | | | | |
| *(2) Includes reversal of stock compensation cost of ₹35 crore for the quarter ended September 30, 2017 towards forfeiture of stock incentive granted to Dr. Vishal Sikka upon his resignation (Refer to note 2.10)* | | | | |
| *(3) On December 20, 2018, the Board appointed Nilanjan Roy as the Chief Financial Officer of the Company with effect from March 1, 2019.* | | | | |
| *(4) On December 2, 2017, the Board appointed Salil Parekh as the Chief Executive Officer and Managing Director of the Company with effect from January 2, 2018.* | | | | |
| *(5) On June 16, 2017, the Board appointed Inderpreet Sawhney as the Group General Counsel and Chief Compliance Officer of the Company with effect from July 3, 2017; The Board in their meeting held on July 14, 2017 designated her as an Executive Officer with effect from the date of the meeting.* | | | | |
| **2.24 CORPORATE SOCIAL RESPONSIBILITY** | | | | |
| As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013. | | | | |
| a) | Gross amount required to be spent by the company during the year is `340 crore. |  |  |  |
| b) | Amount spent during the year on: |  |  |  |
|  |  |  |  | *in ` crore* |
| **Particulars** | | **In Cash** | **Yet to be paid in**  **Cash** | **Total** |
| 1. Construction / acquisition of any asset | | 97 | - | 97 |
| 2. On purposes other than (1) above | | 245 | - | 245 |
| **2.25 SEGMENT REPORTING** | | | | |
| The Company publishes this financial statement along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements. | | | | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **2.27 FUNCTION-WISE CLASSIFICATION OF STATEMENT OF PROFIT AND LOSS** | | | | |
| *(In ` crore)* | | | | |
| **Particulars** |  | **Note No.** | **Year ended March 31,** | |
|  |  | **2019** | | **2018** |
| **Revenue from operations** |  | 2.16 | 73,107 | 61,941 |
| Cost of sales |  | 47,412 | | 39,138 |
| **Gross Profit** |  | **25,695** | | **22,803** |
| Operating expenses |  |  |  |  |
| Selling and marketing expenses |  |  | 3,661 | 2,763 |
| General and administration expenses | |  | 4,225 | 3,562 |
| Total operating expenses |  |  | 7,886 | 6,325 |
| **Operating profit** |  |  | **17,809** | **16,478** |
| Reduction in the fair value of assets held for sale | | 2.3.8 | 265 | 589 |
| Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" | | 2.3.8 | 469 | **-** |
| Other income, net |  | 2.17 | 2,852 | 4,019 |
| **Profit before tax** |  | **19,927** | | **19,908** |
| Tax expense: |  |  |  |  |
| Current tax |  | 2.15 | 5,189 | 4,003 |
| Deferred tax |  | 2.15 | 36 | (250) |
| **Profit for the period** |  | **14,702** | | **16,155** |
| **Other comprehensive income** |  |  |  |  |
| *Items that will not be reclassified subsequently to profit or loss* | | | | |
| Remeasurement of the net defined benefit liability/asset, net | |  | (21) | 52 |
| Equity instruments through other comprehensive income, net | |  | 78 | 7 |
| *Items that will be reclassified subsequently to profit or loss* | | | | |
| Fair value changes on derivatives designated as cash flow hedge, net | | | 21 | (39) |
| Fair value changes on investments, net | | 2.2 | 1 | 1 |
| **Total other comprehensive income/(loss), net of tax** | | **79** | | **21** |
| **Total comprehensive income for the year** | | **14,781** | | **16,176** |
| *for and on behalf of the Board of Directors of Infosys Limited* | | | | |
| Nandan M. Nilekani | Salil Parekh |  | U. B. Pravin Rao | |
| *Chairman* | *Chief Executive officer* | | *Chief Operating Officer* | |
|  | *and Managing Director* | | *and Whole-time Director* | |
| D. Sundaram | Nilanjan Roy |  | A. G. S. Manikantha | |
| *Director* | *Chief Financial Officer* | | *Company Secretary* | |
| Bengaluru |  | |  | |
| April 12, 2019 |  | |  | |

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